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Strategic Politicians in Gubernatorial Elections

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by

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The Dissertation of Adam Robert Brown is approved, and it is acceptable in quality and form for publication on microfilm:

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ABSTRACT OF THE DISSERTATION

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Though it is now widely accepted that candidate quality and strategic donors mediate Congressional election results, this insight has had little treatment in the literature on gubernatorial approval and elections. Rather than examine challengers and donors, most studies have attributed gubernatorial election outcomes entirely to voter behavior, which has led to misinterpretations of electoral data.

This dissertation rethinks gubernatorial approval and elections, paying special attention to how potential challengers and donors in 2006 responded strategically to early signs of gubernatorial vulnerability. The analysis follows three steps. First, I explore the variations in gubernatorial approval existing in late 2005, with an emphasis on understanding why some voters hold their governor responsible for the state's economic problems while other voters do not. Second, I show that challengers and their financial backers responded strategically to these late 2005 approval ratings; governors who appeared vulnerable early on attracted politically experienced, well-financed challengers. And third, I examine the effects of challenger quality on the eventual result, showing that challenger quality matters less on election day than we might think.

1 Introduction

Politicians are strategic. A typical politician would not risk losing a safe seat in the U.S. Senate to challenge a popular governor's reelection bid. Before primary election season rolls around, potential gubernatorial challengers sniff the political winds. They want to know whether it will be a good year for their party and whether it will be a bad year for the incumbent. Their potential financial backers are also strategic, preferring not to waste their money by supporting a hopeless candidacy. As a result, we should be able to predict how "good" the governor's challenger will be—and how much money that challenger will raise—by looking at the governors' standing long before elections are held. Elections provide voters with an opportunity to hold politicians accountable for their behavior while in office; through their strategic decisions, potential challengers assist voters in this task (Gordon et al. 2007).

Most previous studies of gubernatorial elections have failed to appreciate the importance of this strategic behavior by challengers and donors.[1] Instead, scholars have modeled elections as an interaction involving only incumbents and voters, as though election results were no more than an official measurement of incumbent approval. Contrast this with the literature on Congressional elections, in which analysts widely

[1] Leal (2006) and Squire (1992) are notable exceptions, discussed in later chapters.

concur that strategic behaviors by politicians, donors, and activists mediate the effects that economic and political conditions may have on election results. Potential challengers and donors prefer not to waste their time and resources challenging a popular incumbent; instead, they choose strategically whether to run (or contribute), taking careful account of the incumbent's vulnerability. Elections are thought to provide an opportunity for voters to reward or punish their elected representatives; to a substantial degree, the strategic decisions made by politicians, donors, and activists assist voters in this task. These arguments are widely accepted in the Congressional literature; my central claim is that they also apply to gubernatorial elections. We cannot understand gubernatorial elections completely without also understanding gubernatorial challengers and donors.

Although this dissertation's most obvious contribution will be to the literature on gubernatorial approval and elections, my analysis will also contain lessons valuable to other literatures making use of the strategic politician model, particularly the Congressional literature. The basic strategic challenger model is well documented (Jacobson 2004), but we nevertheless know little about the causal dynamics driving these relationships. We do not know exactly how local and national conditions interact to motivate potential challengers. We do not know whether incumbents with cross-party appeal deter challengers more effectively than those who play to the in-party base. Once challengers emerge, we do not know whether they merely ride a favorable tide to victory or whether they actually strengthen that tide. All these questions receive treatment in the following chapters.

These issues constitute the unifying theme for this dissertation. Within this theme, I present three separate papers, with each relying on the 2006 gubernatorial contests for

data. Each paper explores one stage of the strategic politician model. In my first paper, I examine the state-to-state variations in gubernatorial approval in late 2005. This section provides context for the later chapters, which show that incumbent popularity during this period strongly determines the strength of the eventual challenger. I examine gubernatorial approval in relation to presidential approval, asking how voters decide whether to blame the president or the governor for economic conditions in their state. As it turns out, partisanship plays a crucial role in allocations of blame.

In my second paper, I show that potential challengers and campaign donors did in fact respond strategically to gubernatorial approval in late 2005. Incumbents who appeared vulnerable during this period attracted politically experienced, well-funded challengers. The incumbent's popularity among members of the challenger's party was a particularly useful predictor of challenger strength.

In my third and final paper, I present evidence that challenger strength does matter, albeit weakly. Even when we account for the incumbent's initial vulnerability, challenger quality (i.e. experience and funding) exerts an additional, independent effect on the election result. Challenger experience has a weak effect, which benefits Democratic challengers more clearly than Republican challengers. Challenger spending has a stronger, more consistent effect, which benefits Republican challengers more clearly than Democratic challengers.

These three substantive papers occupy chapters 4, 5, and 6. In chapter 2, I provide a brief review of previous research and give a more formal overview of the strategic politicians theory that motivates this research. In chapter 3, I introduce my primary data

source, a series of monthly gubernatorial approval ratings collected by SurveyUSA, and defend its validity. Chapter 7 concludes and lists some possibilities for future research.

2 Governors and the Strategic Politician Theory

Although political scientists have published many diverse studies of public opinion and voting behavior generally, few have examined these topics at the subnational level. This gap in the literature ought to concern us; after all, most of a voter's choices on election day relate to state, county, and local politics. As prominent as governors are, even gubernatorial approval and elections have received scant treatment, most of it recent. Studies began in earnest with Kenney (1983), Holbrook-Provow (1987), Peltzman (1987), Chubb (1988), and Simon (1989). Recognizing the need for more research in this area, *State Politics and Policy Quarterly* devoted an entire recent issue to gubernatorial approval, introducing a data source used in places below (Beyle et al. 2002) and publishing articles about the origins (Alt et al. 2002; Barth and Ferguson 2002; Crew et al. 2002) and effects (Dometrius 2002) of gubernatorial approval. These efforts have laid the foundations for much of my own analysis. Nevertheless, we still know only a few basics about gubernatorial approval and elections. For example, we know that incumbency matters on election day (Ansolabehere and Snyder 2002; Turett 1971; Tompkins 1984), as do each state's partisan leanings (Chubb 1988), although the effect is difficult to estimate (Erikson et al. 1993). Beyond those elementary claims, we have few firm conclusions.

In particular, we do not know whether voters apply the same criteria when evaluating governors (and subnational politicians more generally) that they use when evaluating members of Congress and the president. Instead, we observe two competing hypotheses. The first hypothesis is that governors need to worry about national partisan tides and little else (Crew and Weiher 1996; Peltzman 1987), particularly if the governor belongs to the president's party (Stein 1990). Advocates of this perspective claim that gubernatorial approval reflects national economic conditions, presidential approval, and little else. If the president is popular and the national economy is strong, governors of the president's party will also be popular; under unfavorable circumstances, governors of the opposing party will rise in favor.

The second hypothesis allows that national tides might matter, but suggests that voters also consider in-state factors—particularly the state's economic health. Typically, researchers in this tradition argue that voters use federalism as a cue when deciding how to evaluate a particular politician. Voters recognize the different responsibilities of each level of American government, the argument goes, and they act accordingly. That is, they judge national politicians based on their foreign policy and macroeconomic records, but they judge state and local politicians based on the state's growth, tax rates, potholes, or school quality (Atkeson and Partin 1995, 2001; Carsey and Wright 1998; Niemi et al. 1995).

These two hypotheses have been applied both to gubernatorial approval and to gubernatorial elections. Thus far, evidence that national tides matter has been strong; evidence that local conditions matter has been mixed. The next two sections of this chapter review the evidence for each of these two hypotheses in detail. Although most

previous work has focused on these two hypotheses, my central claim is that political scientists must also take account of challenger and donor behavior. Accordingly, this chapter's concluding section will introduce the strategic politician model and explain how it applies to the gubernatorial setting.

2.1 Is All Politics Local? State-Level Variables

Jewell flatly declared, "The governor is blamed for the lagging economy, depressed areas, and spreading unemployment" (1968, 545-6). Despite Jewell's confidence in this claim, however, researchers today continue to disagree as to whether the state's economy affects the governor's popularity. Beyond this empirical dispute, many critics of Jewell's view seem motivated by a belief that it does not even make sense for voters to punish or reward their governor for the state's economic performance. To the extent that state economies are open markets within the broader national economy, state and local governments would be hard pressed to do anything about regional economic problems; only the national government would have significant power over the economy (see Elkin 1984; Friedland, Piven, and Alford 1977; Hendrick and Garand 1991; Mollenkopf 1983; Peterson 1981). And if only the national government can influence the economy, only national economic performance should factor into voting decisions—that is, if economics factor into voting at all. These ideas have motivated the post-analysis interpretation in several studies. For example, Peltzman found evidence that gubernatorial elections are driven by national partisan tides, not state economics. He interpreted this finding as these ideas would suggest: "[Americans] vote as if they

understand that national rather than local policies have the dominant effect on their income" (1987, 296).

Yet Peltzman's interpretation clashes with evidence that state economies have grown increasingly independent of national trends (Brace 1993). This does not mean that state governments completely control their economies, but it does mean they can at least influence them. Active development efforts can boost exports, investment, and productivity, even though they do not seem to reduce unemployment in the short term (Brierly and Feiock 1996; Hansen 1993; Lowery and Gray 1992). And governors certainly behave as if their economic policies matter. Governors emphasize economic matters in their state-of-the-state addresses, and many travel widely promoting their state's exports (Grady 1990; Herzik and Brown 1991). Do these governors "waltz before a blind audience" by emphasizing state economic issues when voters do not base their evaluations on these issues?[2] Perhaps governors, like voters, are not fools (cf. Key 1966). On the other hand, perhaps Hansen (1999) is correct that "life is not fair," with voters holding governors accountable for the state's unemployment rate despite gubernatorial "lack of influence over state unemployment."

2.1.1 The Many Ways of Measuring Macroeconomics

Theoretical considerations aside, the literature's empirical findings have been mixed when it comes to the observed effect of state economic variables on gubernatorial popularity. Table 2-1 presents a sampling of the literature's findings, grouped by unit of

[2] The quotation references Aldrich, Sullivan, and Borgida (1989), who asked whether presidential candidates "waltz before a blind audience" by emphasizing foreign affairs even though political scientists thought foreign affairs did not affect presidential voting behavior. Aldrich and his colleagues found that it was the political scientists, not the presidential candidates, who were mistaken.

analysis. Objective counts of tax increases during an incumbent's term correlate with the challenger's electoral success. And when survey respondents are asked to evaluate state economic conditions, their evaluations invariably correlate with incumbent support. In contrast, raw macroeconomic indicators have inconsistent and sometimes contingent effects.

Table 2-1: The Literature's Mixed Findings

	State economic conditions			
Citation and object of study	Unemployment	Growth	Taxes	Evaluation
Election Results: Individual Data				
Atkeson and Partin 1995: Cross-sectional ANES				Yes: +
Carsey and Wright 1998: Cross-sectional ANES, exit polls				Yes: +
Niemi et al 1995: Cross-sectional exit polls		Yes: +	Yes: -	
Stein 1990: Cross-sectional exit polls				Contingent[a]
Election Results: Aggregate Data				
Chubb 1988: 666 gubernatorial elections		Slight: +		
Ebeid and Rodden 2006: 673 gubernatorial elections	Contingent	Yes: +		
Kenney 1983: 14-state election series	No	No		
Leyden and Borrelli 1995: 215 gubernatorial elections	Contingent			
Peltzman 1987: 269 gubernatorial elections	No	No	Yes[b]: -	
Job Approval: Aggregate Data				
Crew and Weiher 1996: Quarterly surveys, 3 states	No			
Jacobson 2006: Cross-sectional survey	Yes: -			
MacDonald and Sigelman 1999: Cross-sectional survey		No	Contingent	

Note: "No" means a variable was studied but found to be insignificant. "Yes" means a variable was statistically significant, affecting incumbents in the indicated direction. If a cell is blank, the given study did not test it. See text for explanations of contingent effects.
[a] Stein's respondents evaluate their personal financial situation, not the state economy.
[b] Peltzman measures increases in the state budget, not tax increases per se.

When real growth and unemployment are found to be statistically significant, their effects are often contingent on some other factor. For example, Ebeid and Rodden (2006) find that state economic performance indicators matter only when interacted with

a measure of how much the state relies on primary products (farming, logging, mining, etc.).[3] And Leyden and Borrelli (1995) find state economics to matter only under unified government, purportedly because divided government opens up a confusing blame game between the governor and the legislature. Of course, they did not consider the additional blame game that can arise even under unified government between the governor and the federal government if the statehouse is not controlled by the president's party; I return to this point shortly.

Only taxes and budgetary growth have been consistently found to matter. Peltzman (1987) first observed this effect, noting that the four-year percent change in state general revenues relative to state personal income had a significant effect on challenger success. Curiously, only a four-year change was significant, not a one-year change, suggesting either that voters have rather long memories or that fiscal variables move too slowly to have short-term effects.[4] Niemi et al. (1995) confirm Peltzman's finding, showing that an objective count of tax increases implemented during each incumbent's tenure helps them predict whether incumbents will lose office. The effects of these fiscal variables on gubernatorial approval appear to increase when a gubernatorial campaign is in progress (MacDonald and Sigelman 1999).

Retrospective economic evaluations also affect incumbent popularity. Voters dissatisfied with the state's economic performance punish incumbents on election day

[3] To explain this, Ebeid and Rodden argue that voters in such states do not hold the government accountable for economic troubles because they recognize that their economic success depends more on weather, transit costs, and acts of God than on governmental action at any level. Ebeid and Rodden suggest that this finding might explain why previous longitudinal analyses failed to find significant results, since states exhibited much more disparity in their reliance on primary products fifty years ago than today.

[4] By contrast, Hansen (1999) did find that one-year changes in state revenues had a significant effect on incumbent approval.

(Atkeson and Partin 1995; Carsey and Wright 1998). Of course, this sort of analysis requires the assumption that voters evaluate the economy accurately. To the extent that voters allow their partisanship or their feelings about the incumbent to color their economic assessments, any relationship between economic evaluations and gubernatorial approval is spurious. I consider this point at length in chapter 4.

2.1.2 The Importance of Blame

To summarize, it remains unclear whether voters hold their governors accountable for economic conditions within each state; existing studies have produced mixed results. These mixed results may reflect an underlying problem with the general approach most studies have used. With few exceptions, the studies summarized above have assumed that all voters should hold their governor accountable for the same issues. In reality, voter behavior is more complex. Every day, voters are confronted with new information about the economy, the schools, crime, foreign policy issues, and other areas that the government deals with. Whether the news is good or bad, voters must decide which of their elected officials is responsible for it—if the state's economy performs poorly, a voter could blame the governor, the president, Congress, the legislature, the local government, or everybody at once.

It may be that voters simplify this decision by attributing everything that happens to the president's party. If so, we would expect gubernatorial approval to strongly reflect changes in presidential approval, with few other sources of variance in gubernatorial approval ratings. Several analysts have made exactly that claim; I address this possibility in the following section. If we reject this simple hypothesis, however, as the researchers

referenced in the previous paragraphs would have us do, then we must propose some alternative theory about how voters decide to allocate responsibility between their governor and the president.[5]

Stein (1990) was the first to think about blame in the gubernatorial context. In the 1982 exit polling data he examined, respondents were asked to blame either Reagan or their governor for their state's economic troubles; they also assessed their personal financial situation. For respondents who blamed Reagan, a drop in their personal financial situation resulted in an across-the-board decrease in support for Republican gubernatorial candidates. But for respondents who blamed their governor, a similar drop in personal finances benefited the governor's challenger (regardless of party). These findings were expected, as was their cumulative nature: For respondents who blamed both Reagan and their governor, Republican incumbents were heavily penalized but Democratic incumbents came out even. Stein's results were interesting and important, but he offered no systematic explanation as to why some respondents chose to blame Reagan while others blamed their governor. Instead, he assumed that voters attributed blame through some exogenous, presumably random process.

Inspired by Stein's work, Atkeson and Partin (1995) proposed a theory of blame, calling it the "functional responsibility" hypothesis: Voters recognize the differing responsibilities of governors and senators, and they hold each office accountable for the policy areas it can control.[6] In essence, voters use federalism as a cue when allocating responsibility. State officials are responsible for the state economy, transportation, and

[5] For purposes of this discussion, I ignore offices other than the governorship and the presidency.
[6] Arceneaux (2006) adds that the "functional responsibility" hypothesis operates most strongly among respondents for whom a given issue is highly salient.

education; federal officials are responsible for national security and redistribution programs like Social Security. Carsey and Wright (1998) modify this claim, arguing that a "more appropriate focus for a functional responsibility theory … is on the level of the economy, state or national, for which voters might hold governors" accountable. Although these functional arguments make intuitive sense, however, they fail to explain why Stein's respondents would disagree as to which level of government was responsible for their personal financial situation. If Atkeson and Partin are correct, then Stein's respondents should have uniformly agreed that governors alone were responsible for economic problems within their state; in its strictest form, "functional responsibility" does not allow for anything else. Such was not the case. Stein's respondents disagreed widely about responsibility for the economy, with many blaming the governor and many more blaming the president. Apparently, there was some other force at work in addition to functional responsibility.

The missing variable may be respondent partisanship. Rudolph (2003) considered this possibility when studying blame at the federal level. In his research, the relevant question was why some respondents blame Congress instead of the president for economic conditions. As he showed, respondents tended to credit whichever branch was controlled by their party for desirable outcomes while blaming the other branch for undesirable ones. Likewise, respondent partisanship may explain the variations in how Stein's respondents assessed blame between governors and the president. When the governor and the president belong to opposing parties, assigning blame becomes quite easy for respondents: Blame the one that does not belong to your party.

It is not my purpose at this point to develop a complete theory of blame; that will need to wait until chapter 4. Instead, my goal is only to point out a gap in the existing literature. Several researchers have argued that state-level conditions affect gubernatorial approval and elections, but they have not yet provided a clear logic that explains which issues will affect gubernatorial elections and which will not. The absence of such a clear theory may explain the lack of consistent results, as summarized in Table 2-1.

2.2 National Politics and Gubernatorial Elections

Although previous research has not come to a consensus as to the effects of state-level variables on gubernatorial popularity and elections, almost all studies have agreed that governors' fortunes do rise and fall with their national party's to some extent. Governors of the president's party fare better when the president is popular (Carsey and Wright 1998; Crew and Weiher 1996; Niemi et al. 1995), when national unemployment is low (Crew and Weiher 1996; Leyden and Borrelli 1995; Peltzman 1987), and when national economic growth is robust (Chubb 1998; Peltzman 1987). Those few researchers who have challenged these findings have met strong critiques.[7]

It is hardly surprising that researchers have paid such attention to presidential popularity and the national economy; these are the same variables known to influence Congressional elections (Kramer 1971; Tufte 1978). And as we would expect, there is a visible correlation between postwar gubernatorial, House, Senate, and presidential election outcomes (see Figure 2-1 and Table 2-2). Gubernatorial swings correlate with

[7] For example, compare Atkeson and Partin (1995, 1998) with Carsey and Wright (1998).

House swings at 0.68 ($p<0.001$) and with Senate swings at 0.55 ($p=0.001$). For comparison, House and Senate swings correlate at 0.77 ($p<0.001$).

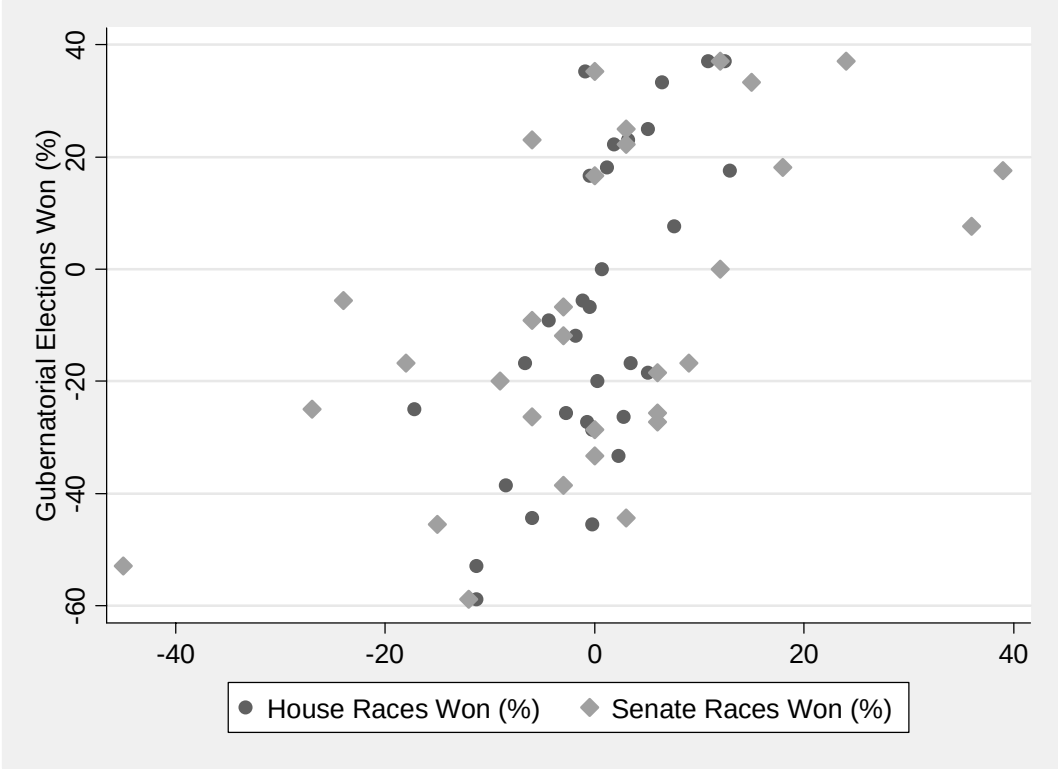

Figure 2-1: Republican Gains and Losses, 1946-2006

Table 2-2: Republican Gains and Losses, 1946-2006

Year	Governors (%)	House (count)	Senate (count)	Presidency
1946	17.6	56	13	(D)
1948	-25	-75	-9	D
1950	33.3	28	5	
1952	25	22	1	R
1954	-9.1	-19	-2	
1956	-6.7	-2	-1	R
1958	-52.9	-49	-15	
1960	-18.5	22	2	D
1962	-20	1	-3	
1964	-38.5	-37	-1	D
1966	37.1	47	4	
1968	18.2	5	6	R
1970	-25.7	-12	2	
1972	-26.3	12	-2	R
1974	-58.8	-49	-4	
1976	-28.6	-1	0	D
1978	-16.7	15	3	
1980	7.7	33	12	R
1982	-44.4	-26	1	
1984	23.1	14	-2	R
1986	-5.6	-5	-8	
1988	16.7	-2	0	R
1990	-11.8	-8	-1	
1992	-33.3	10	0	D
1994	37.1	54	8	
1996	-27.3	-3	2	D
1998	35.3	-4	0	
2000	-45.5	-1	-5	R
2002	22.2	8	1	
2004	0	3	4	R
2006	-16.7	-29	-6	

Note: Swings reflect the net change for Republicans relative to the Democrats only; negative numbers indicate a net Republican loss, and third-party victors are excluded. For governors, swings are given as a percentage, given the varying number of gubernatorial elections from year to year; for House and Senate, swings are raw counts. *Presidency* gives the victor's party in presidential election years. Some gubernatorial elections are held in odd-numbered years; these elections are excluded.
Sources: Gubernatorial data through 1998 from Rusk (2001, Table 7-2). House and Senate data through 2002 from Jacobson (2004, Table 6-1). Data for later years compiled by author.

Nevertheless, these strong correlations do not mean that gubernatorial and Congressional elections respond in the same way to the same factors. We know this to be especially true when comparing senators and governors, as several studies have done. By comparing the same state electorate, in the same year, voting on two different offices simultaneously, these studies have turned up an interesting result: National factors (in most studies, presidential popularity and national growth) typically have a much stronger influence on senate elections than on gubernatorial elections (Arceneaux 2006; Atkeson and Partin 1995, 2001; Carsey and Wright 1998; Stein 1990).

It is this difference that motivates many researchers to expect in-state conditions to matter in gubernatorial elections. Of course, a less-than-perfect correlation between gubernatorial and senate elections does not immediately imply that state economics account for the difference; idiosyncratic variations in campaign style, fundraising ability, policy success, scandals, and challenger quality might wholly explain this phenomenon, with state conditions merely a distraction. Only one finding appears certain about the effects of national conditions: National conditions explain some, but not all, of the variance in gubernatorial approval and election results. Whether state conditions also matter remains something of an open question.

2.3 Challengers and Donors in Gubernatorial Elections

Regardless of whether state or national variables matter, however, the literature's interpretations of its findings have often been awkward. In post-analysis discussion, we often read that citizens punish or reward their governors in order to send a message to Washington, "to 'settle up' with the president for the past two years" (Peltzman 1987,

296): “For many citizens, political judgments are general indictments or rewards of the party in power” (Carsey and Wright 1998). No matter whether the conclusion talks about national or state conditions, the implied argument is that only incumbents and voters matter in gubernatorial elections.

2.3.1 Strategic Politicians in the Congressional Literature

Such a claim overlooks a critical development in Congressional elections research. Over twenty years ago, Jacobson and Kernell (1983) reminded us that elections are about more than just incumbents and voters—by their strategic decisions, challengers and donors determine whether voters even get to make a real choice on election day. Politicians and those who finance and recruit them read political and economic conditions long before election day to estimate the incumbent’s vulnerability and, more broadly, the challenging party’s chances of success in the coming election. In Congressional elections, “The strategic decisions of politicians so structure the vote choice that electoral results are consonant with national level forces even if individual voting decisions are not” (Jacobson and Kernell 1983, 3).

Applying insights from previous work, Jacobson and Kernell model the challenger’s calculus as follows (cf. Black 1972; Riker and Ordeshook 1968):

$$U_0 = (PB) - C$$

In this equation, U represents the utility to a politician of seeking office *0*, P indicates the probability of winning an election to this office, B signifies the benefits of holding the office, and C denotes the costs and risks inherent in mounting a campaign. If U_0 is positive, the politician runs for office *0*.

Risk is fundamental to this calculus, for political office represents not only a prize but a resource. Officeholders acquire contacts, recognition, experience, and tenure, all of which strengthen their ability to mount future political campaigns. But cashing in on these resources also places them at risk; as Leal writes in reference to gubernatorial challengers, "It appears that after running an unsuccessful statewide campaign, candidates either leave politics or run for lower office" (2006, 25). This strategic logic applies even to former officeholders considering a reentry into politics, since an unsuccessful run can mean a permanent end to that politician's career. For these reasons, risk rises with a candidate's political experience. In the equation above, C represents these risks.

For a candidate to run, these estimated risks must not exceed the benefits of winning, represented by B and discounted by P. In House elections, B washes out since all House seats are of equal value.[8] B probably washes out in gubernatorial elections as well. While we might expect B to be higher in larger or wealthier states—since governors of these states can redistribute vaster resources than governors of smaller states—there are also more House members, big-city mayors, and other officials that might seek the governorship, offsetting any increase in B with a decrease in P. These considerations about B are testable, though I leave them to future analysis on account of the present study's small sample size.

Potential challengers weigh these expected benefits against the probability that they can actually win an election—a probability they estimate by looking for signs that

[8] Although all House seats have equal value in principle, individual politicians might perceive these values differently depending on their personal political ambitions. See Canon (1993), Fowler and McClure (1989), Kazee (1994), and Maestas et al. (2006).

the incumbent will be weak in November. For analysts, the best indicator of P is the incumbent's personal approval rating as measured during the period that potential challengers are considering a run, if approval data are available. But most applications of Jacobson and Kernell's theory have been within the Congressional literature, where individual approval ratings rarely exist. Instead, researchers have estimated P by observing the national partisan trend (Jacobson 1989), the district's partisan tendencies (Bond et al. 1997; Westlye 1991), the incumbent's ideology and policymaking behavior (Bond et al. 1985), and the size of the incumbent's financial reserves, or "war chest" (Goodliffe 2001, 2007).

In a nutshell, then, the strategic challenger theory pays its most prominent attention to P and C. Because C rises with a candidate's political experience, experienced politicians are less likely to challenge a sitting incumbent when P is low.

2.3.2 A Brief Glance at the 2006 Gubernatorial Elections

This strategic dynamic operated in the 2006 gubernatorial elections. Table 2-3 provides a glimpse at the relevant data for the twenty-six governors who sought reelection. Besides these, there were ten open seats in 2006; I omit theses since the strategic theory makes no particular prediction about challenger behavior in these states.[9] Governors are sorted by their average monthly approval ratings as measured from May

[9] Of the ten open seats, five resulted from term limits, four from voluntary retirements, and one from an exceptionally unpopular governor (Alaska's Murkowski) who lost his primary in a landslide. Although retirement can be a strategic choice by incumbents who expect to lose their reelection bid, this does not appear to have been the trend in 2006. Two retirements were clearly motivated by federal ambitions (Mitt Romney left to run for president, while Dirk Kempthorne left Idaho to become Secretary of the Interior). The other two retirements were by George Pataki (New York) and Tom Vilsack (Iowa), both of whom were also reported to be considering presidential runs at the time. More to the point, none of these four had particularly low approval ratings in late 2005; Pataki had the lowest of the bunch at 45.4%, but as Table 2-3 shows, this was more than adequate to have a fair chance at reelection. It appears, then, that those who voluntarily left office in 2006 were not simply avoiding a potential electoral loss.

through December 2005. Also shown are each governor's share of the two-party vote in 2006, each challenger's political experience, and each challenger's fundraising success (excluding challenger self-contributions).[10] The correlation between late 2005 approval ratings and November 2006 vote shares is 0.58. For Republicans alone, the correlation is 0.54; it rises to 0.66 without Schwarzenegger, a notable outlier. For Democrats alone, the correlation rises to 0.81. When combined with a partisanship dummy in a linear model, these 2005 approval ratings alone explain fully half of the variance in the incumbents' two-party vote shares.

[10] Campaign finance data comes from the National Institute on Money in State Politics and from Vermont's Secretary of State. Approval data come from SurveyUSA, discussed in detail below.

Table 2-3: Incumbent Governors' Approval, Challengers, and Vote Shares

State	Governor	2005 approval	2006 vote	Opponent's political experience	Contributions to challenger
	Republicans				
CT	Rell	79.8	64.1	New Haven Mayor	$4,151,688
SD	Rounds	78.7	63.3	State representative	$628,679
NE	Heineman	71.4	75.0	None (Attorney, business)	$133,367
VT	Douglas	69.5	57.8	State senate	$642,844
HI	Lingle	65.0	63.9	State senate whip	$301,805
GA	Perdue	58.3	60.2	Lt Governor	$7,243,355
RI	Carcieri	57.7	51.0	Lt Governor	$1,591,602
SC	Sanford	56.0	55.2	State senate	$1,174,781
MN	Pawlenty	53.5	50.5	State attorney general	$2,795,352
MD	Ehrlich	51.9	46.7	Baltimore Mayor	$14,948,511
AL	Riley	50.9	58.0	Lt Governor	$3,003,926
TX	Perry	46.3	56.7	U.S. House/Houston Council	$5,659,018
CA	Schwarzenegger	36.6	58.9	State treasurer	$29,413,678
	Democrats				
WY	Freudenthal	72.4	70.0	None (Attorney, rancher)	$361,122
NH	Lynch	70.9	74.1	State representative	$61,102
OK	Henry	65.4	66.5	U.S. House	$1,690,066
AZ	Napolitano	63.6	63.8	None (Activist)	$1,373,393
KS	Sebelius	62.1	58.9	State senate	$1,060,990
NM	Richardson	60.7	68.8	None (Party chair)[11]	$470,081
TN	Bredesen	54.0	69.8	State senate whip	$1,545,425
WI	Doyle	48.9	53.8	U.S. House	$6,866,061
PA	Rendell	48.7	60.4	None (NFL Hall of Fame)	$12,234,280
OR	Kulongoski	46.1	54.3	Portland school board	$8,266,004
IL	Blagojevich	41.6	55.9	State treasurer	$11,462,825
ME	Baldacci	40.9	55.8	Asst state senate leader	$400,420
MI	Granholm	40.9	57.1	None (Amway CEO)	$7,044,105

Even without more rigorous analysis, this table would support the conclusion that challengers behaved strategically in 2006. Five of the eight Republicans with 2005 approval below 60 percent faced a challenger with statewide experience, and a sixth (Ehrlich) faced the exceptionally well-funded mayor of his state's largest city. Only one

[11] Richardson's original challenger (Damron, a politically inexperienced physician) dropped out for lack of funds; the Republican Party chair whom he eventually faced was an appointed replacement.

Democrat was challenged by a statewide officeholder, reflecting the partisan advantage Democrats enjoyed in 2006, but four of the seven with low approval ratings early on eventually faced well-financed, if politically inexperienced, opponents.

Nevertheless, this table also leaves several questions unanswered. For example, all but one of these governors won reelection, even though eight of them had less than 50 percent approval in late 2005. In fact, incumbent approval tended to regress toward the mean between late 2005 and November 2006, such that unpopular governors won far more votes on election day than their earlier unpopularity would lead us to expect; a quick comparison of the scatterplot in Figure 2-2 to the gray 45-degree line makes this trend apparent. Given that these initially unpopular governors attracted the strongest opposition, but they also experienced the sharpest gains in popularity, we are left to wonder whether the challenger's strength even mattered in the end. As it turns out, challenger quality did matter weakly, even though it is not obvious from this graph—a finding I present in detail in chapter 6.

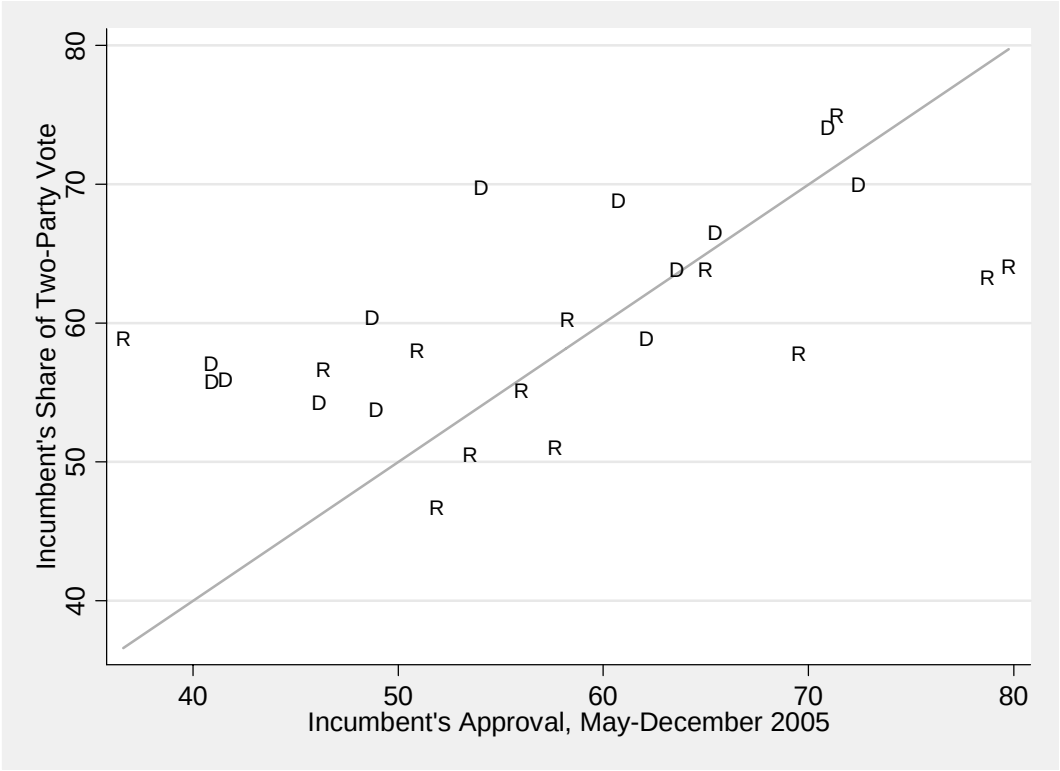

Figure 2-2: 2005 Approval and the 2006 Election

Despite the clear trends in Table 2-3, the existing literature has paid scant attention to challenger quality in gubernatorial elections.[12] The most comprehensive treatment comes from Leal (2006), whose otherwise thoughtful analysis suffers from a data weakness that I return to shortly.

From the equation given earlier, recall that potential challengers run if the benefits of winning, discounted by P, outweigh the risks. For analysts, the best indicator of P is the incumbent's personal approval rating at the time potential challengers are considering whether to run. Only recently have good gubernatorial approval data become available,

[12] Some earlier analyses did treat this topic, but incompletely. Niemi et al. (1995), for example, consider whether incumbents strategically choose retirement rather than seeking reelection in hard times, but they do not consider challenger quality. And Squire (1992) made an explicit attempt to replicate Jacobson and Kernell's analysis at the gubernatorial level, but his results are undermined by his untested index of challenger quality.

however; previous studies have instead used a variety of proxy measures. For example, Leal's (2006) study regressed challenger quality on the incumbent's age, primary election margin, length of tenure, and previous election margin, as well as the state's income growth, crime rates, SAT scores, and unemployment rates—and found none of them to be significant. As such, he concluded that gubernatorial challengers did not respond strategically to the incumbent's personal or political weakness. Had Leal enjoyed access to a direct measure of gubernatorial approval, though, these many indicators of it would not have been necessary. And without all these overlapping indicators inflating his standard errors, Leal might have had altogether different results.

From May 2005 through November 2006, SurveyUSA collected monthly gubernatorial approval data in every state, making direct measurement of gubernatorial vulnerability possible. Throughout this dissertation, I measure incumbent vulnerability using the average of each governor's May through December 2005 approval ratings. Though this decision is somewhat arbitrary, my results do not hinge on it. These approval ratings provide a far more precise measure of incumbent weakness than Leal's indicators. Perhaps for this reason, my analysis produces a conclusion opposite to Leal's. As chapter 5 will show, it appears that potential gubernatorial challengers did behave in a clearly strategic manner in 2006.

Because SurveyUSA is unfamiliar to many political scientists, the next chapter presents detailed evidence of its reliability. Besides collecting gubernatorial approval data, SurveyUSA also gathered state-level presidential approval ratings in each survey, making local partisan trends easily observable. Other data sources used in this analysis are routine, unless noted.

3 Data: Can We Trust SurveyUSA?

This dissertation relies heavily on approval data gathered by SurveyUSA, a pollster whose clients are mostly local news media. From May 2005 through November 2006, SurveyUSA collected monthly gubernatorial and presidential approval data in all fifty states. Each month, SurveyUSA sampled 600 respondents per state, or 30,000 total. Drawing such a large monthly sample would be prohibitively costly using traditional live-interviewer telephone polling. SurveyUSA overcomes this barrier by instead using "Interactive Voice Response" (IVR) methodology. Questions are recorded by professional announcers—typically a local television anchor—and respondents answer questions by pressing telephone keys.

While IVR methods certainly lower costs, however, they also create the potential for abuse. Critics worry about SurveyUSA's data because, in principle, anyone can answer the phone and hit the buttons. For this reason, the *New York Times* prohibits its writers from reporting IVR survey figures, claiming that "results of this type of poll are not reliable," though this claim has only theoretical justification.[13] One particularly emphatic critic dismisses IVR entirely, arguing that it is useful only to journalists desiring

[13] From the *New York Times* polling standards, published in June 2006, an internal document describing editorial policies. Available at http://www.nytimes.com/packages/pdf/politics/pollingstandards.pdf.

to publish "throwaway factoids of dubious value with the suggestion that they reflect real public opinion" (Traugott 1995).

The following empirical analysis of SurveyUSA's record suggests that these theoretical concerns may be overblown (see also appendices in Brown 2007 and Jacobson 2006). While it is true that SurveyUSA's response rates and cooperation rates are lower than the industry average, they are safely within the industry range (Holbrook et al. 2003). More to the point, SurveyUSA's election projections perform well, its job approval ratings track closely to ratings from other pollsters, and its month-to-month data have strong enough internal consistency to discount any theoretical concerns about the IVR methodology.

3.1 Election Projections

Most survey data can never be validated, for the simple reason that we do not know the "true" percentage of the population espousing a particular view. But gubernatorial and presidential performance data are an exception; unlike most survey data, projections can be verified every few years at election time. During the final months before each election, SurveyUSA asks respondents who they intend to vote for. SurveyUSA is not alone in asking these questions, making a direct comparison with other pollsters possible.

Based on such a comparison, Bloom reports that SurveyUSA performed slightly better than other nonpartisan polling organizations at projecting the 2002 election results, a feat repeated in 2004 (Bloom 2003; Bloom and Pearson 2005). For these tests, Bloom uses a simple but telling measure: Whether 95 percent of election outcomes actually fell

within SurveyUSA's projected margin of error. While SurveyUSA fell just short of this standard, it came much closer to it than Gallup and other established firms did.

A separate analysis by Kenner and Saletan (2004) comes to similar conclusions. These authors apply the "sum" and "spread" criteria to projections of the 2004 elections. Under the "sum" method, Kenner and Saletan add the error for each candidate in each poll. For example, if Bush won 48% in a state and Kerry won 54%, but SurveyUSA predicted 47% and 52%, the sum of these errors was (48-47) + (54-52), or 3. Under the "spread" method, Kenner and Saletan measure the difference between SurveyUSA's projected spread and the actual spread. In the preceding example, SurveyUSA underpredicted the spread between Kerry and Bush by 1 point. In 2004, SurveyUSA and Rasmussen, both of which use IVR, beat Gallup by both the sum and the spread methods, and SurveyUSA also performed well in comparison to Zogby and Mason-Dixon (Kenner and Saletan 2004). As Bloom put it in an earlier analysis, "As much as academic survey researchers may have wished to see SurveyUSA under-perform the field, they clearly did not, and may have actually done better than average" (2003, 15).

3.2 Job Approval Data

SurveyUSA's job approval data are more difficult to validate than its election projections, for the simple reason that few other pollsters attempt to measure gubernatorial approval ratings outside of campaign season. SurveyUSA collected monthly approval ratings in every state from May 2005 until November 2006.[14] During

[14] SurveyUSA has continued to collect approval data since November 2006, but for a reduced number of states.

this period, other pollsters collected a significant amount of data in only three states, according to data compiled by Niemi, Beyle, and Sigelman.[15]

In California, SurveyUSA's data competes with numerous measurements by the respected Field Poll, the Public Policy Institute of California, and San Jose State University's Survey and Policy Research Institute (see Figure 3-1). All four pollsters identify essentially the same trends.

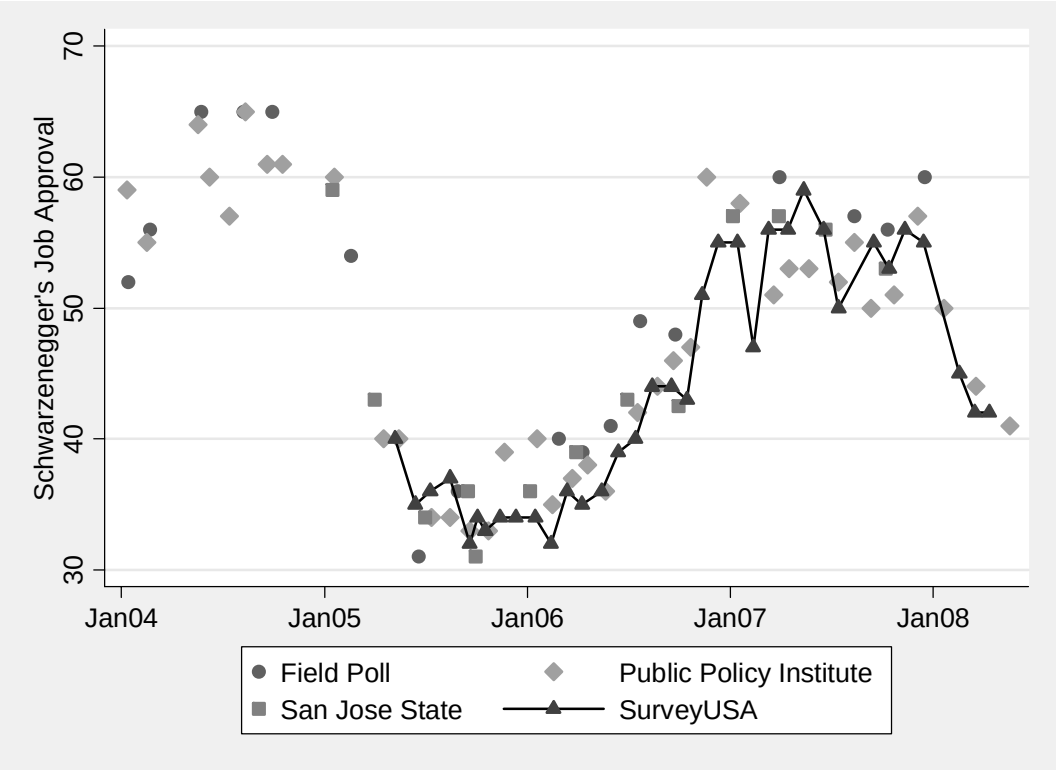

Figure 3-1: SurveyUSA's Record in California

Pollsters were less active in New York over this period, but again, SurveyUSA's data follow other approval ratings closely (see Figure 3-2): Governor Pataki's job

[15] With support from the National Science Foundation, Niemi, Beyle, and Sigelman have been collecting every gubernatorial approval rating measured since the mid-1900s. I use the January 15, 2007, version of their data in this section. See http://www.unc.edu/~beyle/jars.html. In analyzing California, I also use polling data collected by Gary Jacobson.

approval ratings rose in June 2005, fell briefly in early 2006, and recovered in time for the fall elections.

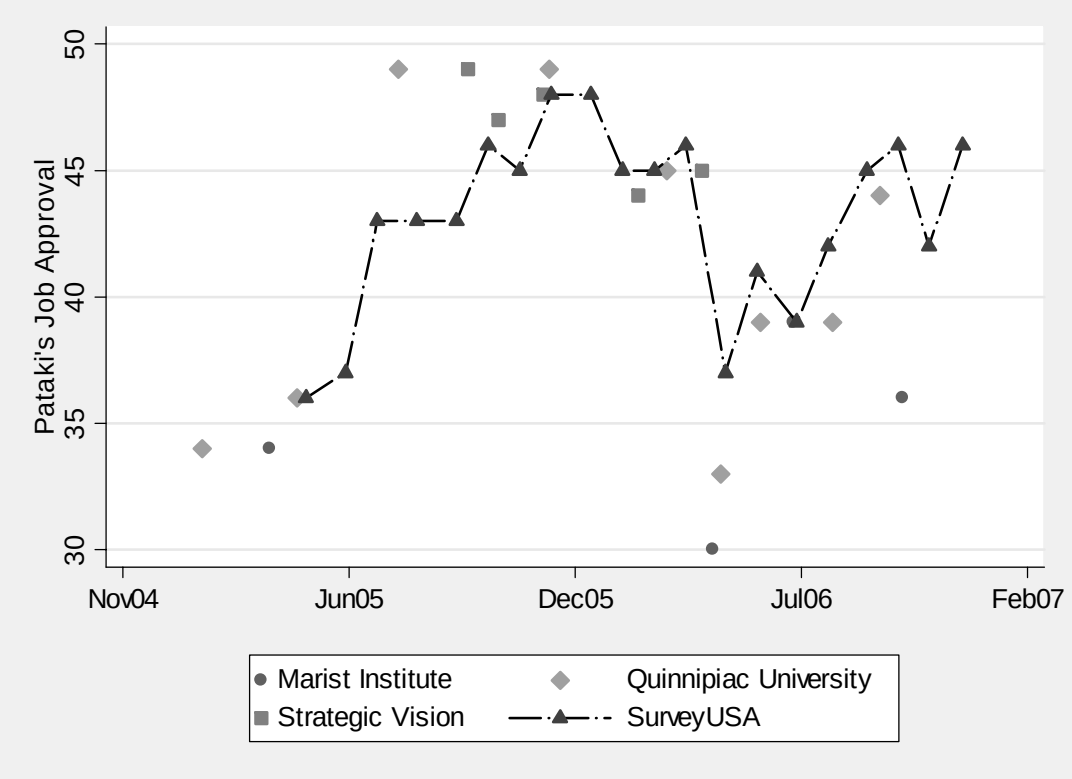

Figure 3-2: SurveyUSA's Record in New York

In New Jersey, few pollsters actively measured gubernatorial approval until after Jon Corzine's inauguration in early 2006. But even this shorter series raises no serious concerns (see Figure 3-3). Like other pollsters, SurveyUSA found that Corzine's popularity bounced around in the first few months, then stabilized and rose as the year progressed.

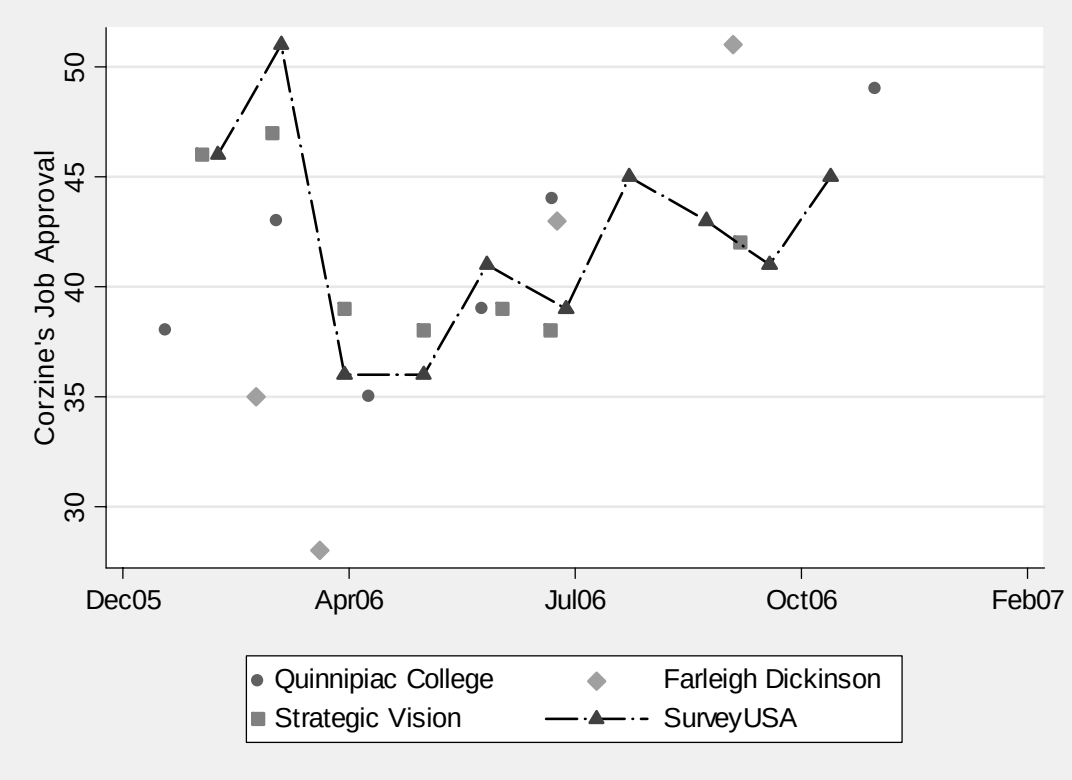

Figure 3-3: SurveyUSA's Record in New Jersey

SurveyUSA also gathers presidential approval ratings. But unlike most pollsters, SurveyUSA calculates presidential approval ratings by measuring approval independently in every state, then weighting the findings to produce a national result. Figure 3-4 plots SurveyUSA's estimated approval ratings against those measured by all other pollsters. The dotted line shows the Lowess-smoothed trend of all other pollsters' data.[16] SurveyUSA's approval ratings fall close to this curve even though they were not used in its calculation. As with the preceding graphs, this figure gives no reason to question whether SurveyUSA's data are valid.

[16] Presidential approval data for other pollsters downloaded from the Roper Center's archives (http://137.99.36.203/CFIDE/roper/presidential/webroot/presidential_rating.cfm) on January 29, 2007. Lowess smoothing uses a bandwidth of 0.15.

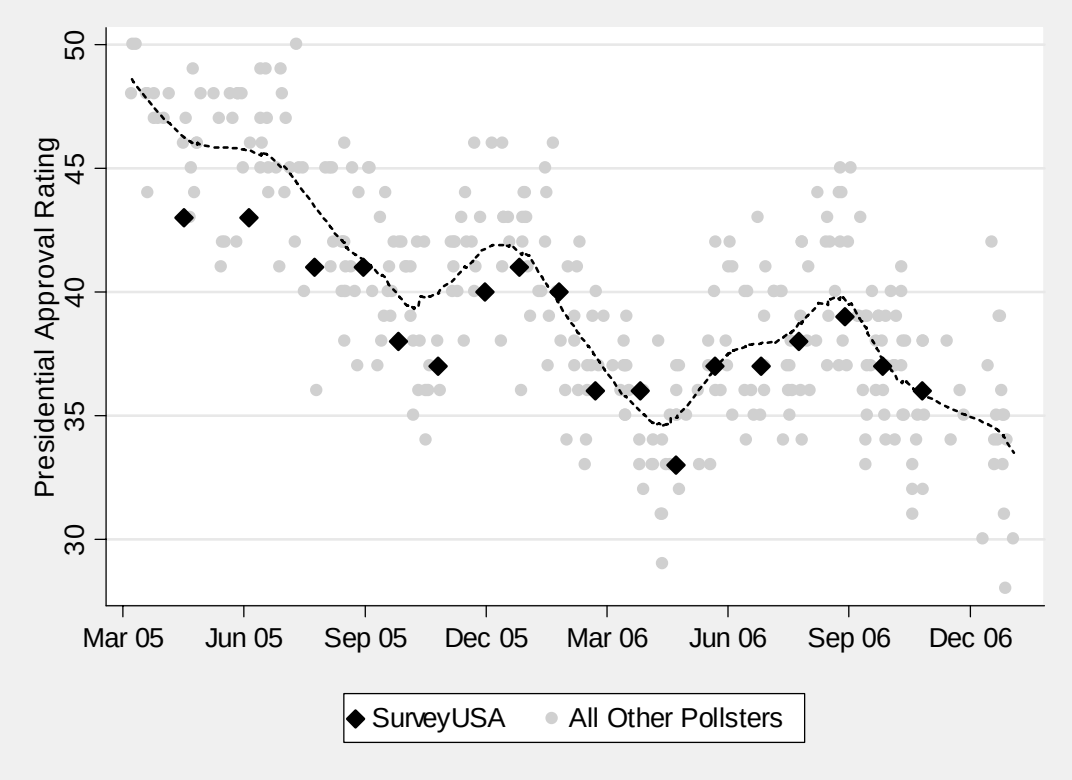

Figure 3-4: SurveyUSA's Record with Presidential Approval

3.3 Internal Consistency

SurveyUSA's data also appear to be internally consistent. Each state's monthly gubernatorial approval ratings correlate well with the preceding month's data, as we would expect. Similarly, pairwise correlations with data measured in November 2006 become increasingly weak as we look further back in time, also as we would expect (Table 3-1).

Table 3-1: Internal Consistency of Gubernatorial Approval Data

Month	Correlation with preceding	Correlation with November 2006
Nov 06	0.96	1.00
Oct 06	0.97	0.96
Sep 06	0.96	0.95
Aug 06	0.97	0.93
Jul 06	0.96	0.94
Jun 06	0.97	0.93
May 06	0.96	0.92
Apr 06	0.95	0.89
Mar 06	0.95	0.90
Feb 06	0.95	0.89
Jan 06	0.96	0.85
Dec 05	0.98	0.85

Moreover, Table 3-2 shows that compositional variables remain stable over time. The percentage of respondents in each state calling themselves "pro-life" or "pro-choice" changes very little from month to month. Partisanship is slightly more variable, but not erratic enough to cause any concern. If SurveyUSA's data were significantly influenced by children picking up the phone and mashing random keys, we would not observe this stability in compositional variables.

Table 3-2: Pairwise Correlations with November 2006 Data

Month	Pro-Life	Pro-Choice	Republican	Democrat	Independent
Sep	0.94	0.94	0.90	0.88	0.91
Jul	0.94	0.94	0.93	0.90	0.95
May	0.94	0.92	0.89	0.86	0.91
Mar	0.94	0.94	0.91	0.86	0.93
Jan	0.95	0.94	0.90	0.88	0.92

Critics have raised important conceptual objections to the IVR methodology. Nonetheless, the preceding tables and figures suggest no reason to question SurveyUSA's data. The onus is on the critics to produce empirical evidence that SurveyUSA's data should not be trusted.

3.4 Other Data: Polimetrix and CCES

Although this dissertation makes heavy use of SurveyUSA's approval data, it also uses survey data gathered from an online sample by Polimetrix as part of the November 2006 Cooperative Congressional Election Study (CCES), particularly in chapter 4. For this study, Polimetrix used its new, proprietary sampling methodology called "sample matching." First, Polimetrix draws a random sample of potential respondents from its "target matrix," a massive database built from Census results, voter rolls, and consumer information that contains data about millions of Americans. Polimetrix makes no attempt to contact members of this sample; instead, it notes each individual's characteristics, including age, race, location, education, gender, and so on. Second, Polimetrix turns to its large panel of volunteers who have expressed interest in taking online surveys. Using a proprietary matching algorithm, Polimetrix matches each randomly selected individual to a politically, demographically, and geographically similar member of its volunteer pool. The survey is then administered over the Internet to this group of volunteers (Ansolabehere 2006).

The science behind this technique has important backers. Polimetrix was founded by Stanford's Doug Rivers, and the eight members of its scientific advisory board are

respected political scientists.[17] Of course, scholarly reputation alone is insufficient validation for a new sampling technology. Because sample matching is new, we have had few opportunities to observe its reliability. Nevertheless, Polimetrix did pass its first major test successfully: It performed well in November 2006, when Polimetrix and five other pollsters published predictions about several California initiatives. Only two of these six pollsters—Polimetrix and the Field Poll—avoided making incorrect predictions. And of the four pollsters making predictions about all seven propositions, Polimetrix had the second-lowest root mean square error.[18]

As an additional indicator of CCES's reliability, consider Figure 3-5, which shows each governor's approval rating in November 2006 as measured separately in CCES and SurveyUSA data. If neither survey had any problems, the CCES estimate would be our best guess of the SurveyUSA estimate, as indicated by the dotted line. As it turns out, CCES respondents were slightly friendlier to incumbents than SurveyUSA's, but not enough to raise any concerns. That both surveys produced such similar results, despite using such different methodologies, serves to increase our confidence in both.

[17] The list includes Stephen Ansolabehere, Larry Bartels, Henry Brady, Donald Green, Gary Jacobson, Gary King, Jon Krosnick, and Daron Shaw.
[18] Based on calculations in Polimetrix's description of its methodology, available at http://www.polimetrix.com/documents/Polimetrix_Surveys.pdf.

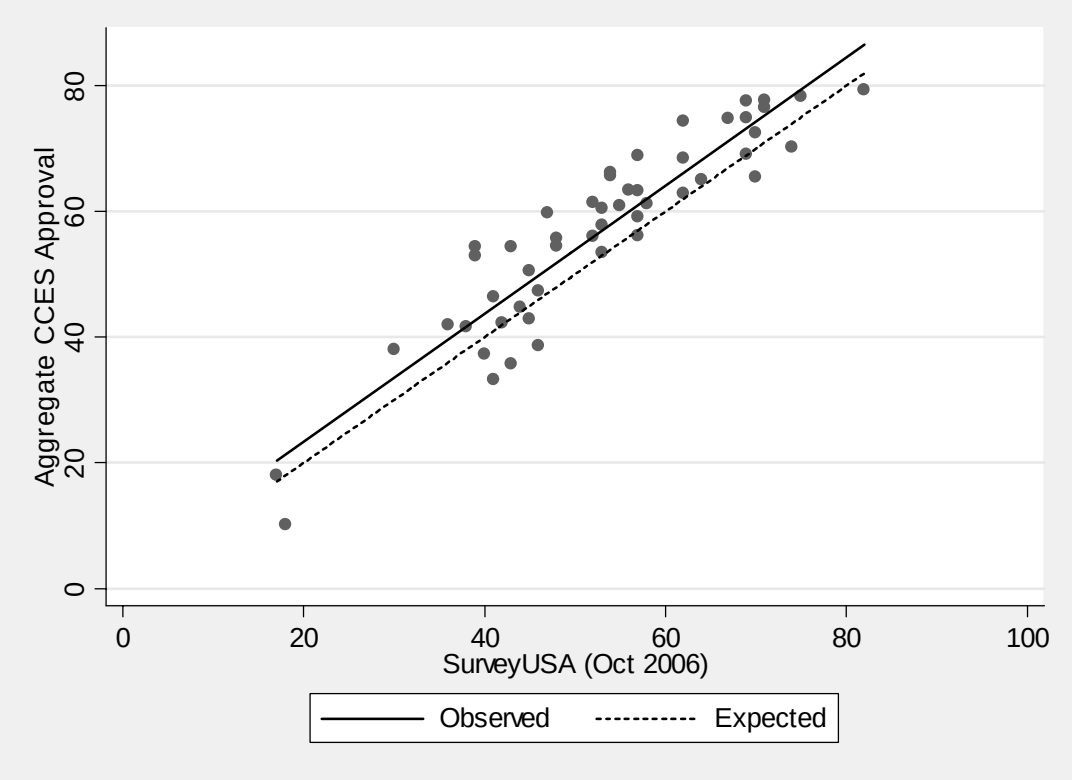

Figure 3-5: CCES vs SurveyUSA

4 Partisanship, Blame, and Divided Federalism

The United States is unique among democracies in the burden it imposes on its voters. Not only are American elections frequent, but they feature a dizzying number of choices. In California, often an extreme example of this tendency, voters in 2006 had to evaluate thirteen proposed initiatives in addition to candidates for two federal offices (one House, one Senate), seven statewide executive offices, two state legislative offices, and various judgeships. As if that were not enough, most voters would also have found on their ballots candidates for their city council, county board of supervisors, school board, and other (often obscure) local elected offices.

The difficulties created by such a complex hyper-democratic system have given rise to entire literatures dealing with voter fatigue, ballot rolloff, and voters' information resources.[19] However, the presence of so many independently-elected officials, often with overlapping responsibilities, creates an additional problem: Blame. Elections are thought to provide a link whereby voters can hold elected officials responsible for their activities in office. But when something goes wrong—unemployment is high, schools are failing, or crime is up—how do voters know which of all these politicians to hold responsible?

[19] Among others, see Bullock and Dunn (1996), Lupia (1994), Matson and Fine (2006), Rallings et al. (2003), Walker (1966), Wattenberg et al. (2000).

My argument, detailed below, is that Americans rely heavily on partisan shortcuts when assigning responsibility for policy successes and failures—especially when authority for a policy is not clearly assigned to a single political office. By itself, this argument is not completely novel; previous research has shown that voters tend to have more patience with politicians of their own party than with politicians from the other side. However, these previous studies have generally examined only one office (e.g. the presidency) or only one level of government (e.g. Congress versus the president). Such an approach overlooks the many other layers of governmental authority that voters evaluate on election day. What is lacking is an understanding of partisanship and blame in America's federal system.

To examine all the diverse and complicated layers of authority would be beyond the scope of this chapter. Instead, I pay primary attention to the most prominent politicians at each level of American federalism: Presidents and governors. When the president and the governor belong to the same party, the blame game between them is not particularly interesting. But when they belong to different parties, voters gain the opportunity to blame one while giving the other a free pass. This does not mean that voters will completely ignore each office's functional responsibilities; even the least-engaged citizen knows that governors have as little control over foreign policy as presidents have over potholes. Rather, my argument is that partisan considerations will determine allocations of blame in the many policy areas where the president and the governor share responsibility—an argument I test by analyzing presidential and gubernatorial responsibility for the state's economy. Just as divided government creates a

potential blame game between the president and Congress, divided federalism creates a similar situation between the president and the governors.

4.1 Previous Work on Partisan Bias and Federalism

These arguments incorporate insights from two separate literatures. The first is the long-standing literature about partisanship and bias alluded to already. This literature began decades ago with the "funnel model" of partisanship introduced in *The American Voter* (Campbell et a. 1960); an updated take on this argument is that voters simply reject information that challenges their prior beliefs (Zaller 1992), or that they choose to give greater credibility to information from sources they trust (Lupia and McCubbins 1998; Page, Shapiro, and Dempsey 1987), even if those sources are potentially biased.

Regardless of which of these mechanisms produces partisan bias, we have evidence that the biases exist. First, we have evidence that partisanship colors voter evaluations of policy outcomes: Conover, Feldman, and Knight have provided detailed evidence that retrospective (1986) and prospective (1987) economic evaluations strongly reflect respondents' political views, arguing that these evaluations "become extensions of partisan evaluations of the president's capabilities" (1987, 578). A similar story arises with regard to consumer confidence surveys; although actual economic conditions have a strong impact on consumer confidence, political evaluations also play a significant role (DeBoef and Kellstedt 2004). In addition, we have evidence that partisan factors influence whether voters will consider economic conditions when voting in Congressional elections (Fiorina 1983; Hibbing and Alford 1981).

All of these findings have come from research primarily concerned with the national setting; these insights have not been fully applied to the subnational context. In fact, the second literature I draw on—the literature on gubernatorial approval and elections—has largely overlooked this literature about partisan bias. Instead, most research in this second literature has debated whether voters hold governors accountable for local (i.e. state-level) conditions or whether governors are entirely at the mercy of the president's coattails. Few dispute that national partisan trends influence gubernatorial approval and elections; the question is whether local conditions also matter. Those arguing that only national conditions matter imply, in effect, that voters blame the president for every policy outcome, at any level, and evaluate all subnational politicians based solely on the president's performance.[20]

Those arguing that local conditions also matter imply that voters have some standard by which to assign responsibility for some policies to the governor even while assigning responsibility for other policies to the president. The reigning argument at present is that voters accomplish this task with reference to each office's "functional responsibilities," expecting presidents to provide national security and Social Security while expecting governors to provide education, highways, and economic growth (Atkeson and Partin 1995, 2001; Arceneaux 2006). Although various analysts disagree as to what these functional differences are (e.g. Carsey and Wright 1998), the basic claim is that voters perceive objective differences between the duties of presidents and governors and vote accordingly.

[20] As examples of research suggesting that only national conditions matter, see Crew and Weiher (1996) and Peltzman (1987).

My argument modifies the functional responsibility hypothesis by introducing insights from the literature on partisanship and bias. Although some policy areas clearly fall within the domain of either the president or the governor, responsibility is murkier in other policy areas. When responsibilities are clearly divided, it seems likely that we would observe voter behaviors roughly consistent with the functional responsibility argument. But when responsibilities are unclear, as is often the case, I expect the literature on partisanship and bias to become relevant; in this situation, presidential, gubernatorial, and voter partisanship will interact to determine which level of government the voter will chose to blame.

To test this argument, I pay close attention to a policy area where responsibility is especially murky: Economics. In an ideal world, presidents would bear responsibility for the national economy's strength as a whole, while governors would bear responsibility only for the state's economic health (relative to the nation's); in fact, this is roughly how Carsey and Wright (1998) define functional responsibility. In the real world, however, voters are not so objective. Rudolph (2003) has already shown that partisan considerations affect whether a voter will blame Congress or the president for national economic conditions. My central claim is that American federalism creates a similar blame game between governors and the president: Voters will tend to blame whichever level of government that is not controlled by their own party.

I begin by developing this argument more fully, deriving specific hypotheses from a re-analysis of Stein's (1990) study of the 1982 gubernatorial elections. I then test these hypotheses using two dependent variables measured in 2006. First, I ask whether partisan biases influence voter evaluations of their state's economy relative to the nation's.

Consistent with expectations, I find that voters show strong partisan biases in their economic evaluations when the governor and president belong to different parties; when the governor and president belong to the same party, partisan biases evaporate, as intuition suggests they should. Second, I ask whether partisan biases determine whether state economics correlate with gubernatorial approval. Using two separate surveys, I find that they do. When the governor and president belong to different parties, respondents of the governor's party do not reflect state unemployment in their gubernatorial approval ratings, while respondents of the president's party do. When the governor and president belong to the same party, respondents behave similarly regardless of party.

4.2 Four Hypotheses about Partisanship and Blame

In the literature on gubernatorial approval and elections, researchers have been split between those arguing that national political conditions alone influence gubernatorial approval and those arguing that local conditions also matter. Although presidential popularity and national economic trends have been found to influence gubernatorial elections significantly in almost every study, the estimated effects of state economics and other local conditions have been inconsistent from one study to the next (see Table 2-1 in chapter 2). In part, these inconsistencies may arise from a widespread (but implicit) assumption that if local conditions matter, all voters will take equal account of them when evaluating the governor.

Stein (1990) was the first to challenge this assumption, arguing that economic considerations should hurt the incumbent's approval rating only among those respondents who actually blame the governor for current economic conditions; among respondents

who blame the national government, by contrast, economic considerations should not affect their evaluation of the governor. Although Stein was able to confirm this hypothesis empirically using exit poll data from the 1982 gubernatorial elections, he was surprised that so few voters actually blamed the governor for their state's economic problems. Nevertheless, he did not seek to explain this puzzle, choosing instead to treat blame as exogenous. Table 4-1 replicates one of Stein's tables, summarizing how voters in each state chose to assign blame for the state's economy. Only in California, New York, and Nevada did more respondents blame their governor than blamed Ronald Reagan (as indicated with bold type).

Table 4-1: Who is Responsible for the Economic Problems in Your State?

State	Reagan	Governor	Both	Neither
All states	25.4	15.4	18.4	34.5
California	**28.4**	**36.3**	17.1	18.3
Connecticut	32.4	15.8	12.4	39.5
Maine	37.7	13.7	12.2	36.5
Massachusetts	24.3	11.3	24.3	40.2
Michigan	20.0	14.5	25.7	39.9
Minnesota	19.5	13.2	27.0	40.3
Nebraska	16.6	9.8	21.9	51.7
Nevada	**14.4**	**17.2**	22.3	46.1
New Mexico	34.0	15.6	13.1	37.4
New York	**27.1**	**27.6**	27.2	18.3
Ohio	26.2	10.3	23.1	40.3
Rhode Island	42.4	14.0	13.4	30.2
Tennessee	34.5	6.8	22.5	36.3
Texas	19.4	9.3	19.8	51.5
Vermont	28.4	5.7	15.0	50.8
Wyoming	29.4	11.4	8.2	51.0

Note: Bold type is for emphasis only; see text. Reprinted from Stein (1990, Table 4), based on the 1982 CBS News/*New York Times* exit polls.

As a side note, these data are potentially problematic; many respondents blamed neither Reagan nor their governor, which may reflect a problem with the question. Stein uses the 1982 CBS News/*New York Times* exit polls, which asked, "Who's more to blame for economic problems in (name of state): President Reagan, Governor (incumbent's name), both, or neither?" Perhaps some of those attributing responsibility to "neither" thought there were no economic problems to blame on anyone, or that any problems that did exist arose independently of government policies.[21]

Setting aside this concern about the data, Stein was nevertheless smart to consider the importance of blame. His work inspired the later research on functional responsibility discussed above. All the same, Stein failed to appreciate the importance of partisanship in determining these attributions of blame. Table 4-2 presents Stein's data divided by partisan subgroup, an analytic step Stein did not take. This simple change makes it apparent that blame strongly reflects respondent partisanship. In every state with a Democratic governor, Republicans blamed their governors and Democrats blamed Reagan, a Republican; in every state with a Republican governor, Republicans blamed neither Reagan nor the governor, and Democrats blamed Reagan or (more frequently) both. And across the board, Republicans were more likely to claim that neither Reagan nor the governor was to blame, or perhaps that there were no problems to blame on anybody.

[21] For example, Rudolph (2003) found that many respondents will blame labor or business leaders for economic problems, given the opportunity to do so.

Table 4-2: By Partisan Subgroup: Who is Responsible for Economic Problems?

	Republican respondents				Democratic respondents			
State	Reagan	Gov	Both	Neither	Reagan	Gov	Both	Neither
Democratic governors								
CA	11.6	59.4	10.2	18.9	43.6	20.2	21.6	14.7
CT	10.9	26.8	10.9	51.5	52.9	9.7	11.8	25.7
ME	15.9	24.3	12.4	47.4	60.8	6.8	10.7	21.7
MA	8.6	20.1	5.1	66.2	35.7	8.8	30.3	25.2
NM	11.4	27.1	7.5	53.9	51.2	9.0	16.7	23.1
NY	13.2	45.3	19.7	21.9	40.5	14.8	32.5	12.2
RI	11.2	34.1	10.0	44.7	66.3	9.6	8.5	15.6
WY	9.4	17.0	8.0	65.7	55.8	5.8	7.7	30.7
Average	*11.5*	***31.8***	*10.5*	***46.3***	***50.9***	*10.6*	*17.5*	*21.1*
Republican governors								
MN	7.0	12.3	11.0	69.7	30.4	13.6	40.0	16.0
MI	6.1	15.7	14.4	63.9	32.8	11.4	37.7	18.2
NE	7.6	8.1	9.5	74.8	26.9	11.9	39.5	21.7
NV	6.0	16.5	8.3	69.2	23.3	18.2	34.6	24.0
OH	8.3	10.5	11.7	69.6	40.7	9.2	31.2	19.0
TN	16.2	3.6	7.8	72.5	47.2	8.7	30.5	13.6
TX	6.3	4.8	4.2	84.7	31.9	12.2	32.8	23.1
VE	9.9	6.1	7.7	76.2	49.6	7.1	21.1	22.2
Average	*8.4*	*9.7*	*9.3*	***72.6***	***35.4***	*11.5*	***33.4***	*19.7*

Note: Averages are not weighted. Bold type is for emphasis only; see text. Data source: The 1982 CBS News/*New York Times* exit polls, obtained from ICPSR.

Table 4-3 displays these data another way, adding the percentage willing to blame both Reagan and the governor to the percentage willing to blame either. Once we take account of respondent partisanship, respondents with Democratic governors showed broad consensus in their decisions about blame; Democrats blamed Reagan by a 40.3 point margin, while Republicans blamed the governor by a 20.3 margin. Meanwhile, respondents with Republican governors showed far less consensus. Democrats continued to blame Reagan, but by a much smaller margin (23.9 points); by contrast, Republicans were torn between blaming Reagan and the governor, blaming governors by a narrow 1.3

point margin. To quantify the effect of gubernatorial partisanship on respondent consensus, note that the difference in differences is 60.6 points in states with Democratic governors but only 25.3 points in states with Republican governors.

Table 4-3: Consensus About Blame, by Partisan Subgroup

	Reagan (or both)	Governor (or both)	Difference
Democratic governors			
Republican respondents	22.0	42.3	-20.3
Democratic respondents	68.4	28.1	40.3
Difference in differences			*60.6*
Republican governors			
Republican respondents	17.7	19.0	-1.3
Democratic respondents	68.8	44.9	23.9
Difference in differences			*25.3*

It appears, then, that respondent partisanship shaped attributions of blame in 1982; in turn, Stein's work shows that these attributions determined whether economic evaluations affected governors at election time. These partisan patterns were most obvious where the governor was a Democrat, since respondents could choose to blame either the Democratic governor or the Republican president. Where the governor was a Republican, the patterns were murkier; with both the governor and the president belonging to the same party, respondents were less sure whether to blame both or neither. This is particularly true of Republican respondents. In fact, their declaration that "neither" was responsible may reflect no more than a hesitation to admit that their own party's politicians had failed them. If "neither" were not presented as an option, or if the question were rephrased to ask who was "responsible" for the economy rather than who was to "blame," Stein might have found more Republicans willing to blame either

Reagan or a Republican governor. As it stands, the high proportion of "neither" responses makes it difficult to make a clear statement about this group of respondents.

Because the following analysis will make frequent reference to these four partisan patterns, I summarize them here for clarity:

- Republican respondents with Democratic governors held the governor accountable (by a wide margin) for any economic problems they perceived in their state, if they perceived any problems at all;
- Democrats with Democratic governors did not hold the governor accountable, preferring to blame Reagan (also by a wide margin);
- Republicans with Republican governors either ignored economic difficulties or blamed them on something other than the government, but it is unclear which office they would have blamed had the question been phrased differently;
- Democrats with Republican governors blamed either the president alone or the president and the governor together.

The 2006 gubernatorial elections took place in a similar context as the 1982 elections: The economy was generally seen as weak, and the president was a Republican. This serendipitous similarity affords us the methodologically important opportunity to test hypotheses developed in one context (the 1982 elections) by applying them to a new one (the 2006 elections). Each of the four patterns listed above becomes a hypothesis about 2006 in the analysis below. These four patterns lead to the sharpest predictions about respondents living under "divided federalism"—that is, respondents with a Democratic governor during a period of national Republican control—since respondents in these states exhibited the largest degree of consensus when assigning blame. Where the

governor was a Republican in 2006, a wider variety of respondent behaviors could be consistent with these four patterns.

I use two data sources to test these claims about partisanship and blame. First, I employ the individual-level survey data from the Cooperative Congressional Election Study (CCES), fielded by Polimetrix during the November 2006 elections. This survey involved over 30,000 respondents answering questions on dozens of topics. Later, I use aggregate gubernatorial approval data collected by SurveyUSA in monthly surveys from May 2005 through November 2006.

Although neither pollster included questions explicitly asking respondents to blame either the governor or the president for economic conditions in their state, these surveys do include other questions that allow us to see the same partisan mechanisms at play. In particular, I apply the four hypotheses above to two separate voter judgments. First, I demonstrate that respondent evaluations of the state economy's strength strongly reflected partisan biases; voters had a rosier view of their state's economy when such a view accorded with their partisan predispositions, regardless of actual macroeconomic conditions in the state. Second, I show that the relationship between gubernatorial approval and state unemployment rates varies according to respondent partisanship. These partisan biases may explain why researchers investigating the effects of economic problems on gubernatorial approval have failed to find a consistent (aggregate) effect of state unemployment on gubernatorial approval and election results.

4.3 Applying the Four Hypotheses to Economic Evaluations

CCES respondents were asked to evaluate their state's economic health over the previous year. They answered a similar question about the national economy. Both questions used a closed-form response ranging over a five-point scale from "much better" and "better" to "worse" and "much worse." By subtracting national evaluations from state evaluations, we can construct an index measure of each respondent's evaluation of the state's economy relative to the nation's. This new measure ranges from -4 (the state economy is much worse than the national economy) to +4, though scores fall between -2 and +2 (inclusive) for 97% of respondents.

This composite measure makes better empirical and theoretical sense than using evaluations of the state economy alone. First, it makes empirical sense since it eliminates the need for several control variables. A respondent's employment status, income level, home ownership status, and other demographic variables might influence the respondent's general optimism about the economy at any level, state or national. Assuming that these pocketbook concerns bias a respondent's two evaluations by equal measures, then subtracting one evaluation from the other removes the effect of these demographic considerations, leaving us with a "purer" measure of the respondent's perception of the state's economy relative to the nation's.[22] Second and more importantly, though, this index measure also makes theoretical sense, given that the four hypotheses

[22] Because respondents have only five options when evaluating either the state or national economy, it is possible that an extremely optimistic respondent could give the highest score to the nation but find herself unable to give an even higher score to the state. To verify that this potentiality did not skew any of the results below, I repeated all these analyses omitting the 4,474 respondents who gave the best (or worst) possible evaluation both to their state and to the nation; the substantive conclusions were the same.

speak specifically of how respondents evaluate their state relative to the nation—not how they evaluate the state in isolation.

Another advantage of this composite measure is that it has a correct answer that each respondent ought to have given, regardless of personal political beliefs: Either the state economy was stronger than the national one or it was not. In a world of objective, perfectly informed citizens, raw macroeconomic indicators should predict most, if not all, of the variance in this measure. That is, respondents should rate their state's economy as stronger than the nation's only if it is, in fact, stronger. This ideal represents the null hypothesis. The four patterns listed earlier lead us to the alternative hypotheses. As applied here, the prediction is that respondents with Democratic governors will exhibit considerable bias toward either their state economy (for Democratic respondents) or the national economy (for Republican respondents) in order to favor the level governed by their own party. By contrast, respondents with Republican governors have no reason to favor either level over the other; we predict no bias among these respondents.

Consistent with the hypotheses under consideration, economic evaluations reflected respondent partisanship, as shown in Table 4-4. For presentation, national evaluations are collapsed from five categories to three; evaluations of the state relative to the nation are likewise reduced from nine categories to three.[23] Republicans revealed their faith in George Bush by giving the national economy strong reviews—stronger than they gave their state economies. Democrats revealed their opposition to Bush by giving the economy weak reviews—weaker than they gave their state economies. Among

[23] The "about the same" category represents composite scores between -1 and 1. The remaining categories represent more extreme scores.

Democrats, 35.5% claimed that their state outperformed the nation over the previous year; among Republicans, 40.9% made the opposite claim.

Table 4-4: CCES Economic Evaluations, by Respondent Partisanship

	Democrat	Independent	Republican	Row average
National economic evaluations				
Gotten better	7.1%	22.1%	73.0%	*36.9%*
Stayed about the same	24.6%	24.4%	16.4%	*21.1%*
Gotten worse	68.4%	53.4%	10.6%	*42.0%*
Column total	*100%*	*100%*	*100%*	*100%*
State versus national economy				
State worse than nation	12.7%	21.4%	40.9%	*25.7%*
About the same	51.8%	53.1%	49.8%	*51.1%*
State better than nation	35.5%	25.5%	9.3%	*23.2%*
Column total	*100%*	*100%*	*100%*	*100%*

Note: "Democrat" and "Republican" include partisan leaners; only "pure" independents are listed as such. The reason for this is empirical; the leaners behave identically to the strong partisans in this data. Pearson's chi^2 has $p<0.001$ for both sub-tables. Gamma is -0.80 for the top portion, -0.53 for the bottom. 34,674 respondents.

Of course, this table is insufficient to test the four hypotheses under consideration; it could simply be that Democrats were more likely than Republicans to live in states that actually did perform poorly in 2006. To test the four hypotheses, we need to calculate the degree and direction of inaccuracy in each respondent's evaluation of her state economy relative to the nation's by comparing respondent evaluations to actual economic conditions in the respondent's state. I measure macroeconomic conditions using each state's standardized unemployment rate.[24] I then standardize each respondent's evaluation of the state's economy relative to the nation's. A respondent who gave an average estimate of her state's economic health relative to the nation's will have a standardized

[24] Unfortunately, fewer macroeconomic indicators are available at the state level than at the national level. In particular, inflation figures are not available. I discuss measurement issues further below.

score close to zero; if the state's economy truly was average, its standardized unemployment rate will also be close to zero.

Subtracting standardized unemployment from standardized evaluations produces a measure of respondent inaccuracy with a mean of 0.2 and a standard deviation of 1.2.[25] This inaccuracy measure is positive for respondents who overestimate their state's economic health. Table 4-5 summarizes this new variable, collapsing it into five categories for ease of interpretation. A large majority (62%) evaluated their state's economic performance with reasonable accuracy; other respondents were evenly divided between those giving their state economy too much (22%) or too little (17%) praise.

Table 4-5: Respondent Bias in Evaluating the State Economy

	Number of respondents	Percent
Strong positive bias (2 or higher)	2,424	7%
Positive bias (1 to 2)	5,271	15%
Unbiased (-1 to 1)	21,679	62%
Negative bias (-1 to -2)	4,417	13%
Strong negative bias (-2 or lower)	1,406	4%

Respondent partisanship correlates strongly with this measure of inaccuracy; Table 4-6 shows column percentages for each partisan subgroup, with bold print indicating cells containing a particularly high percentage of respondents. For readability, the partisanship and bias variables in this table are collapsed to three categories. The relationship between partisanship and inaccuracy fits the hypotheses most neatly where

[25] Before standardization, state unemployment rates had mean 4.46 with standard deviation 1.04 (N=50). Respondent evaluations had mean -0.07 with standard deviation 1.03 (N=35,197); these figures are essentially the same regardless of whether sampling weights are applied. Standardization results in mean 0.0 with standard deviation of 1.0 for both variables. To make the bias measure easier to interpret, I multiply the standardized unemployment rate by -1 before calculating bias.

the governor was a Democrat in 2006. In these states Democratic respondents tended to overestimate the state's economic health relative to the nation's, while Republicans did the opposite. Strength of partisanship appears to make little difference; even when partisanship is measured using seven categories, partisan leaners behaved identically to strong partisans. These patterns are both substantively and statistically significant (see note, Table 4-6).

Table 4-6: Partisan Sources of Bias

	Democrat	Independent	Republican	Row average
Democratic governors				
Positive bias (1 or higher)	**41.8%**	25.3%	7.6%	*25.5%*
Unbiased	52.2%	62.8%	60.7%	*60.7%*
Negative bias (-1 or lower)	6.0%	12.0%	**31.7%**	*17.5%*
Column total	*100%*	*100%*	*100%*	*100%*
Republican governors				
Positive bias (1 or higher)	25.7%	22.5%	11.8%	*19.4%*
Unbiased	63.6%	62.9%	66.3%	*64.7%*
Negative bias (-1 or lower)	10.7%	14.6%	21.9%	*16.0%*
Column total	*100%*	*100%*	*100%*	*100%*

Note: Column percentages shown. Boldface is for emphasis only; see text. For respondents with Democratic governors, N=14,029; chi^2=2700 ($p<0.001$); gamma=-0.65 (ASE=0.009). For respondents with Republican governors, N=20,645; chi^2=844 ($p<0.001$); gamma=-0.33 (ASE=0.011).

Where the governor was a Republican, though, respondents did not behave exactly as predicted, at least not when viewed in this aggregate form. Because these governors belong to the same party as the president, the hypotheses given earlier would predict that respondent partisanship would not matter at all in these states. However, we do in fact observe a weak partisan pattern; Democrats continued to evaluate their state economies more favorably than Republicans did, although the trend is far less

pronounced than in the top half of the table. This odd result would seem to run counter to my hypotheses.

Regardless, this unexpected result is not genuine; it is an artifact of the electorate's intensely polarized feelings about George W. Bush. Among Democratic respondents, 87% (including leaners) claimed to "strongly disapprove" of Bush; only 8% felt sufficiently mild animus to merely "disapprove." Among Republicans, 44% approved of Bush and another 40% strongly approved. Unsurprisingly, respondents who strongly disapproved of Bush gave the national economy the lowest evaluations (and vice versa), a finding in line with the previous research at the national level discussed earlier. They also tended to give their state economies lower marks than did other respondents, evidently reflecting their broader discontent with political and economic conditions. Crucially, however, state evaluations were influenced much less by Bush approval than national evaluations were.[26] As a result, presidential approval is the omitted variable that produces the artifactual result seen in the lower half of Table 4-6. When the table is replicated only for strong disapprovers of Bush (the modal category), as in Table 4-7, the partisan pattern disappears almost entirely—in accordance with the hypotheses presented earlier.[27]

[26] Bush approval and respondent partisanship alone (with interactions) explain 56% of the variance in evaluations of the national economy but only 24% of the variance in evaluations of the state economy.
[27] Shrewd readers will ask whether applying this same control for Bush approval in states with Democratic governors might also eliminate the positive result reported earlier; it does not, though it does weaken the relationship, as the regression analyses below demonstrate.

Table 4-7: Partisan Sources of Bias among Strong Bush Disapprovers

	Democrat	Independent	Republican	Row average
Republican governors				
Positive bias (1 or higher)	26.7%	27.9%	22.5%	*26.6%*
Unbiased	63.1%	60.4%	63.4%	*62.8%*
Negative bias (-1 or lower)	10.2%	11.7%	13.5%	*10.7%*
Column total	*100%*	*100%*	*100%*	*100%*

Note: Column percentages shown. Respondents are strong Bush disapprovers in states with Republican governors. (Strong disapprovers are the modal group in these states, with 49.7% of respondents.) N=10,117; chi^2=14.66 (p=0.005); gamma=-0.04 (ASE=0.023).

The regression analyses in Table 4-8 confirm what these cross-tabulations suggest. Among those with a Democratic governor, Republican respondents had far gloomier perceptions of the state's economy relative to the nation's than Democratic respondents did, with politically independent respondents in the middle. Controlling for presidential approval weakens this relationship but does not eliminate it. Among respondents with a Republican governor, by contrast, there is only a weak relationship between partisanship and economic evaluations once presidential approval is taken into account; interacting Bush approval with respondent partisanship (not shown) weakens this estimated relationship still further, with the coefficient for Republican respondents dropping from -0.19 to -0.15.[28]

[28] The fact that this partisan dummy is statistically significant at all in this regression may reflect some coarseness in the Bush approval measure. A Republican may be less willing to declare his disapproval of Bush than an equally dissatisfied Democrat. To the extent that the Bush approval variable's inability to fully control for feelings about Bush is correlated with respondent partisanship, the artifactual connection discussed earlier may continue to turn up.

Table 4-8: Effects of Respondent Partisanship on Bias

	Democratic governor		Republican governor	
Independent respondent	-0.46***	-0.25***	-0.14***	-0.05
	(0.06)	(0.05)	(0.04)	(0.03)
Republican respondent	-1.29***	-0.53***	-0.50***	-0.19***
	(0.13)	(0.11)	(0.06)	(0.04)
Strongly approve Bush		-1.18***		-0.46***
		(0.09)		(0.07)
Approve Bush		-0.76***		-0.35***
		(0.05)		(0.07)
Disapprove Bush		-0.38***		-0.17**
		(0.06)		(0.05)
Constant	0.79**	0.88***	0.41*	0.44*
	(0.23)	(0.23)	(0.17)	(0.17)
N	13,859	13,859	20,412	20,412
Clusters (states)	22	22	28	28
R^2	0.21	0.26	0.05	0.06

Note: Cluster-corrected standard errors in parentheses; sampling weights applied. The dependent variable is the respondent's bias in evaluating the state's economy relative to the nation's. Democratic respondents and strong Bush disapprovers are the baseline categories. *p≤0.05, **p≤0.01, ***p≤0.001.

The general finding in this table is that respondents exhibited far greater partisan bias in their evaluations of the state's economy relative to the nation's when their governor did not belong to the president's party; in such states, Democrats exhibited an upward bias, Republicans exhibited a downward bias. This pattern persists under a variety of specifications, using several control variables.[29] When it comes to respondent evaluations of the state's economy relative to the nation's, then, we observe results in line with our expectations. Where the governor and the president belonged to different parties, partisanship had a strong effect on respondent evaluations of the state's economy relative

[29] Given the large sample size, many controls were statistically significant but substantively inconsequential and were therefore omitted. Controls included respondent income, race, marital status, gender, education, employment status, and home ownership. Controlling for each state's unemployment rate (and changing the dependent variable to evaluations of the state relative to the nation) makes no substantive difference. Nor does inserting a dummy for each state (rather than using cluster corrections) make a difference.

to the nation's; where the governor and the president belonged to the same party, partisanship had almost no effect.

4.4 Applying the Four Hypotheses to Gubernatorial Approval

Similar patterns of partisanship and blame should also influence how respondents evaluate their governors. That is, the state's economic condition should have a stronger effect on gubernatorial popularity when such a judgment fits the respondent's existing partisan perspective; among other respondents, state economics should have no effect at all on gubernatorial approval. Recall from the re-analysis of Stein's data in Table 4-2 that when the governor and the president belonged to different parties, a typical respondent blamed whichever one that did not belong to the respondent's party for economic conditions in the state. As applied in 2006, this pattern leads us to the following hypotheses about the effect of state economics on gubernatorial approval, at least for respondents in states led by a Democratic governor:

- State unemployment will have a strong relationship with gubernatorial approval among Republican respondents with a Democratic governor.
- State unemployment will have a very weak relationship with gubernatorial approval among Democratic respondents with a Democratic governor.

Now consider the case of respondents with a Republican governor. In 1982, Democratic respondents with Republican governors were evenly divided between blaming the president alone and blaming the president and the governor together for economic problems. Even though not all respondents assigned partial blame to the

governor, a substantial portion did; if 2006 was the same, we should see a moderate relationship between state economics and gubernatorial approval among this group.

It is difficult to formulate such a straightforward prediction for Republican respondents with Republican governors, though. In 1982, an overwhelming majority of this group chose to blame neither the president nor the governor. If we took this finding at face value, then we would predict little or no relationship between state economics and gubernatorial approval among these respondents. As discussed earlier, however, it is unclear whether these respondents would have chosen to blame the governor if the question had been worded more neutrally, so as to encourage fewer responses of "neither"; by asking respondents whom they "blame" for their economic "problems," the pollsters may have inadvertently encouraged those with a positive assessment of their state's economy into answering "neither." If these respondents truly did not blame their governor for economic problems in their state, then we would expect no relationship between state economics and approval; if, on the other hand, they did blame their governors, but they simply had a more positive view of their state's economy than was assumed by the question wording, then there we might expect a significant relationship. Since we do not know what these respondents were thinking, we remain somewhat agnostic about what to predict for this group.

Table 4-9 summarizes these four hypotheses for clarity; the strongest prediction concerns the difference between Republican and Democratic respondents under divided federalism (i.e. when the governor is a Democrat). I use two data sources to test these claims: The individual-level CCES data used in the previous section and the aggregate SurveyUSA data introduced in chapter 3. Both data sources produce consistent evidence

supporting three of these four hypotheses. The one exception is the group that was most difficult to make predictions about: Republicans evaluating Republican governors. Among this group, the estimated effect of state economics on gubernatorial approval is inconsistent and stronger than expected.

Table 4-9: Expected Effects of State Economics on Gubernatorial Approval

	Republican respondents	Democratic respondents
Republican governors	Probably weak	Moderate
Democratic governors	Strong	Very weak

4.4.1 Individual-Level Gubernatorial Approval: CCES

CCES respondents appraised their respective governors along a four point scale, from "strongly disapprove" and "disapprove" to "approve" and "strongly approve."[30] Although many diverse variables may affect the governor's popularity (as reviewed in chapter 2), the focus here is on the governor's responsibility for the state's macroeconomic health—in particular, its unemployment rate, a variable that has produced inconsistent results in previous research (see Table 2-1 in chapter 2).[31]

Table 4-10 presents the results of four OLS regressions, one for each combination of gubernatorial and respondent partisanship. In each, the dependent variable is the respondent's evaluation of the governor.[32] The independent variables are the state's

[30] Respondents choosing the "not sure" option are omitted from this analysis, since "not sure" can mean either "I don't know" or "neutral." The variable is coded from 1 through 4.
[31] Inflation rates are not available for individual states. Growth rates were also used, but they were insignificant in every instance.
[32] Strictly speaking, ordered logit would be the most appropriate tool for predicting this ordinal four-category variable; however, OLS gives essentially the same results in this case, with the added advantage of being easier to interpret.

unemployment rate relative to the nation's (averaged over the six months preceding the election, May through November 2006), a dummy for whether the respondent approves of Bush, and a vector of demographic control variables. Respondents from Louisiana are omitted; its continued political and economic volatility following Hurricane Katrina make its situation atypical.

Table 4-10: Gubernatorial Responsibility for the Economy in November 2006

	Republican governor		Democratic governor	
Respondent party (no leaners)	Republican	Democrat	Republican	Democrat
State unemployment	-0.28*	-0.18*	-0.22***	-0.05
	(0.11)	(0.07)	(0.05)	(0.05)
Bush approver	-0.67***	-0.96***	0.53***	0.45***
	(0.08)	(0.07)	(0.08)	(0.09)
Demographic controls[a]	Yes	Yes	Yes	Yes
Constant	3.08***	2.80***	1.66***	2.82***
	(0.13)	(0.09)	(0.16)	(0.14)
N	4899	5087	3157	3338
Clusters (states)	28	28	21	21
R^2	0.15	0.11	0.10	0.04

Note: Cluster-corrected standard errors in parentheses; sampling weights applied. The dependent variable is the respondent's evaluation of the governor, measured on a four-point scale.
*p≤0.05, **p≤0.01, ***p≤0.001.
[a] Additional control variables not shown include respondent income and dummies for race, marriage, sex, education, home ownership, and employment status.

Three of the four patterns predicted in Table 4-9 appear in these results, although the overall fit in every case is poor. In states with a Democratic governor, the partisan difference is apparent; the state's unemployment rate had a clear effect on gubernatorial approval among Republican respondents but no measurable effect among Democratic

respondents. In states with a Republican governor, state economics have a significant but moderate effect on approval among Democratic respondents.

Surprisingly, and contrary to expectations, state unemployment has the strongest estimated effect on approval among Republican respondents with Republican governors. The reason for this finding is not clear. The relationship is not quadratic; that is, it does not reflect Republicans taking account of unemployment only when it is low. At the same time, it is an uncertain finding; the 95% confidence interval around this estimate stretches from -0.52 to -0.05. For this reason, I postpone further discussion of this finding until later in this chapter.

Setting aside the one surprising finding, the results in Table 4-10 support the other three predictions given above. Still, the substantive effect of unemployment on individual-level gubernatorial approval should not be overstated. Recall that approval is measured on a four-point scale. Even among Republican respondents with Democratic governors, it would take a four- or five-point rise in unemployment to effect a one-point movement along the approval scale, other things being equal. Given that state unemployment rates had a range of only 4.6 points and a standard deviation of 1.04 during this period, such a swing is unlikely. Of course, these small individual-level effects might translate into dramatic aggregate effects; as the following section will show, even a small rise in unemployment turns out to be sufficient to make thousands of barely-satisfied approvers into disapprovers. Nonetheless, it is worth emphasizing that even within partisan subgroups, there is a considerable amount of individual decision-making left unexplained.

4.4.2 Aggregate Gubernatorial Approval: SurveyUSA

Table 4-11 replicates the preceding analysis using aggregate gubernatorial approval data gathered by SurveyUSA.[33] The independent variables are state unemployment rates, with the national rate subtracted out; state-level approval ratings for George W. Bush among the specified partisan subgroup; and each state's number of electoral votes, logged, to account for population. The approval and unemployment measures are averages covering January through March 2006. Louisiana is again omitted, for the same reason as before.[34] New Jersey and Virginia are also omitted, since they held gubernatorial elections in November 2005 and their new governors were only beginning their terms during this period.

Table 4-11: Gubernatorial Responsibility for the Economy in Early 2006

	Republican governor		Democratic governor	
Respondent party	Republican	Democrat	Republican	Democrat
State unemployment	-6.13**	-6.59**	-11.85*	-5.53
	(1.93)	(2.07)	(5.65)	(3.40)
Bush approval level	0.42	0.11	1.76*	0.90†
	(0.46)	(0.67)	(0.71)	(0.47)
Logged electoral votes	-3.42	-9.84**	-3.81	1.65
	(3.14)	(3.37)	(6.85)	(4.51)
Constant	44.18	61.16***	-88.52	55.10***
	(37.84)	(12.64)	(55.95)	(10.83)
N	28	28	19	19
R^2 (adjusted)	0.37 (0.29)	0.48 (0.42)	0.58 (0.49)	0.42 (0.31)

Note: Standard errors in parentheses. The dependent variable is the aggregate approval level among the specified group of respondents. $^{\dagger}p\leq0.10$, *$p\leq0.05$, **$p\leq0.01$, ***$p\leq0.001$.

[33] All gubernatorial and presidential approval ratings are measured only among those expressing an opinion.

[34] Although Katrina affected both Louisiana and Mississippi, only Louisiana is an outlier in these regressions.

These estimates provide additional results consistent with the hypotheses given earlier, with the same exception as before: The estimated effect among Republicans evaluating Republicans is considerably weaker here than in the previous results. In Table 4-10, the estimate for this group was unexpectedly high; in Table 4-11 the estimate lies closer to our expectations. I discuss this inconsistency below. For the other three groups, the estimated effect of state unemployment on approval conforms to the hypothesized expectations. State unemployment rates have the strongest effect on gubernatorial popularity among Republicans evaluating Democrats; they have no statistically significant effect among Democrats evaluating Democrats; and they have a statistically significant but substantively moderate effect among Democrats evaluating Republicans.

In contrast to the substantively weak individual-level effects in the previous section, though, these aggregate effects are generally strong. A one-point rise in the state unemployment rate is associated with a large fall in gubernatorial approval—between six and twelve points, depending on partisan factors. Moreover, state unemployment rates explain much of the variance in aggregate gubernatorial approval levels; including it renders the two control variables almost meaningless. Although state unemployment has a weak substantive effect on individual decisions about the governor, then, the aggregate effect is nevertheless dramatic.

These estimates use averaged data from January through March 2006. This decision was arbitrary but not particularly consequential; when using data from earlier periods, the results are essentially the same.[35] When using data from later periods,

[35] The SurveyUSA data go back to May 2005. Although the estimated effect of unemployment on approval remains similar when using data from these earlier months, the significance levels occasionally change. In particular, the estimated effect among Democrats evaluating Democratic governors is statistically

however, the results deviate somewhat from those shown above. As an example, consider Table 4-12, which uses averaged data from September and October 2006.[36] Although the results among Democratic respondents change little, the estimated effect of unemployment changes among Republican respondents. First, unemployment loses its statistical significance among Republican respondents evaluating Democratic governors. As it turns out, though, this change is entirely the result of a single influential outlier, West Virginia. Removing West Virginia from the analysis causes the estimated effect of unemployment to rise to -10.39 (p=0.026), bringing the estimate back in line with expectations.[37]

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significant in some earlier months, although the magnitude of the estimated effect remains consistently small.

[36] In addition to the changed time frame, these new estimates also differ from Table 4-11 in that they include New Jersey and Virginia, whose governors had served long enough by this time to make their approval ratings meaningful. These two states are not influential on the results, though.

[37] During this period, West Virginia's Democratic governor, Joe Manchin, enjoyed immense crossover appeal among Republicans; of those with an opinion, 74.2% of Republicans approved of him. No other Democratic governor had such high cross-party approval. Among the other twenty Democratic governors used in Table 4-12, approval among Republicans ranged from 15.9 to 72.8%, with an average of 43.1%. West Virginia is not a large outlier in this equation—its standardized residual is only 2.11—but Manchin's extremely high popularity gives this residual sufficient leverage to distort the regression results, justifying West Virginia's exclusion. Removing West Virginia causes R-squared to rise to 0.44 (0.34 adjusted).

Table 4-12: Gubernatorial Responsibility for the Economy in Late 2006

	Republican governor		Democratic governor	
Respondent party	Republican	Democrat	Republican	Democrat
State unemployment	-8.32***	-6.21*	-7.05	-3.26
	(2.26)	(2.46)	(4.52)	(2.50)
Bush approval level	-0.30	0.46	0.40	0.77†
	(0.44)	(0.66)	(0.65)	(0.39)
Logged electoral votes	-2.45	-7.24†	-9.93	-1.30
	(3.38)	(3.59)	(6.30)	(3.63)
Constant	99.60**	48.91***	33.78	64.63***
	(36.18)	(12.63)	(51.66)	(10.57)
N	28	28	21	21
R^2 (adjusted)	0.39 (0.31)	0.37 (0.29)	0.34 (0.23)	0.34 (0.23)

Note: Standard errors in parentheses. The dependent variable is the aggregate approval level among the specified group of respondents. All variables are averages covering September through October 2006.
†p≤0.10, *p≤0.05, **p≤0.01, ***p≤0.001.

Second, unemployment becomes a stronger factor among Republicans evaluating Republican governors. This inconsistency is puzzling. Although the estimated effect of unemployment among other partisan groups has been consistent across the past three sets of regressions, particularly after the West Virginia correction, the estimated effect among Republicans evaluating Republican governors has been inconsistent. The estimated effect was very strong in Table 4-10, moderate in Table 4-11, and somewhere between these extremes in Table 4-12. It is unclear what causes this inconsistency. Estimating the effects on unemployment quadratically does not change this general pattern, nor do outliers cause problems. One conclusion about this group of respondents does seem clear, though: Although 72.6% of respondents in this group claimed in 1982 that neither the governor nor the president was responsible for the economy (see Table 4-2), similar

respondents in 2006 did hold their governor accountable for economic conditions within their state, at least to some extent.

4.5 Discussion: The Importance of Partisan Subgroups

The preceding analyses lead to two major conclusions. First, when respondents evaluate their state's economy relative to the nation's, partisan factors create strong biases; respondents give better evaluations to the economic level that corresponds to the governmental level controlled by their party. Second, when respondents evaluate their individual governors, partisan factors determine how strongly the state's economic performance will influence the result.[38]

Federalism plays a central role in American voting behavior. However, this analysis demonstrates that federalism's role differs somewhat from what researchers have previously thought. Recent research has presented evidence that voters hold state and federal officials accountable for different sets of issues; in this line of thinking, voters recognize that state and federal officials have differing policy responsibilities and judge them accordingly. Such an argument presupposes that the lines dividing federal from state authority are clear. Although state and federal powers may have been neatly divided at America's founding, the divisions are now extremely blurred—especially in the realm of economic policy.

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[38] Some readers will wonder whether these results depend on my use of unemployment as a macroeconomic indicator. Previous research has shown that each party "owns" certain issues; of particular importance, Democrats own the issue of unemployment (Ansolabehere and Iyengar 1994; Kelley and Mirer 1974; Petrocik 1992). Unfortunately, fewer economic indicators are available for the states than for the nation, making it difficult to test the dependence of my findings on my choice of indicator. Nevertheless, the nature of my findings suggests that more than issue ownership is at work. Issue ownership would lead us to expect Democratic governors (not Republican governors) to be held accountable for unemployment; we might also expect Democratic respondents to care more than Republican respondents about unemployment. Together, these expectations would lead us to predict patterns very different from those proposed in Table 4-9.

My findings do not refute the functional responsibility argument; the functional responsibility hypothesis may explain voter behavior in non-economic issue areas. But at least in issue areas where responsibility is uncertain, such as economic policy, voters rely instead on partisan cues when assigning blame for policy outcomes. Presidential, gubernatorial, and respondent partisanship interact to determine which issues influence gubernatorial popularity. When it suits their partisan predispositions, voters blame their governor for state-level problems; when it does not, they do not. In addition to influencing which issues affect gubernatorial popularity, this partisan logic also affects voter judgments of policy outcomes. Partisan biases have clear, meaningful effects on respondent evaluations of the state's economic health.

Besides the specific conclusions discussed already, this analysis also has a broader implication: When analyzing gubernatorial popularity and elections, researchers must take care to look for partisan interactions. Sometimes, partisan subgroups may behave in opposite ways from one another, with their behaviors canceling one another out in aggregate data. Perhaps this dynamic explains why previous research has had such inconsistent results about the effects of state unemployment rates on gubernatorial approval; they have not looked for partisan interactions. Unfortunately, gubernatorial approval ratings are gathered far less frequently than we as analysts might like; even when they are gathered, data are not always available by subgroup. But when it is available, researchers would be well advised to consider subgroups separately rather than assuming that aggregate approval ratings will contain all patterns of interest.

5 Strategic Entry in 2006

The twenty-six governors seeking reelection in 2006 faced every sort of challenger imaginable. A few lucky incumbents faced challengers with no political experience, no name recognition, and no wealth. Less fortunate incumbents faced richly experienced or well-funded challengers capable of running a serious campaign. These variations were not random; instead, they reflect each incumbent's vulnerability in the months before the election. Governors who were generally unpopular in late 2005 attracted the most experienced challengers. Campaign donors also behaved strategically, preferring to donate the most money to challengers with a realistic chance of victory. Challengers behave strategically to avoid placing their political careers at excessive risk; donors behave strategically to maximize the return on their investment.

It is by no means revolutionary to make the general claim that potential challengers and their financial backers respond strategically to the incumbent's apparent vulnerability. Within the literature on Congressional elections, previous studies have provided abundant evidence of this pattern. Nevertheless, this argument has had insufficient treatment within the literature on gubernatorial elections. Most previous work on gubernatorial elections has focused on the relationship between incumbents and voters, ignoring the roles of challengers and campaign finance almost entirely; only a

handful of studies have dealt directly with gubernatorial challengers, but their rarity and their conflicting conclusions make additional research necessary.

This chapter makes two primary contributions. First, it shows that gubernatorial challengers and their financial backers do in fact respond strategically to the incumbent's perceived vulnerability. This conclusion is not foregone; Leal (2006) made precisely the opposite argument, for reasons discussed below. Nevertheless, if this chapter established only this one claim—that is, that challengers and donors are strategic—my theoretical contributions would be minimal. This first contribution is narrow; it applies exclusively to gubernatorial elections, and it does not tell us much that is new about how challengers think.

Second, however, I seek to broaden our understanding of the strategic politician theory more generally by shedding light on the specific conditions that challengers respond to—that is, what exactly makes an incumbent governor appear vulnerable to potential challengers? Because most research dealing with the strategic model occurs at the Congressional level, previous work has cast incumbent vulnerability in terms of partisan tides (Jacobson 1989), the district's partisan tendencies (Bond et al. 1997; Westlye 1991), the incumbent's ideology and policymaking record (Bond et al. 1985), and the size of the incumbent's financial reserves, or "war chest" (Goodliffe 2001, 2007).[39] Notably missing from this list is the incumbent's personal popularity. The reason is simple; pollsters do not routinely gather approval ratings for all 435 House incumbents. Nor, in most years, do pollsters gather approval ratings for all 50 governors. By contrast,

[39] Others have noted the importance of potential candidates' personal political ambitions or other factors. See Canon (1993), Fowler and McClure (1989), Kazee (1994), and Maestas et al. (2006).

we do have individual approval ratings for the twenty-six governors who sought reelection in 2006. Every month from May 2005 through November 2006, SurveyUSA gathered approval data for every governor. Although SurveyUSA does not make individual responses available, it does provide aggregate approval and approval ratings by partisan subgroup.[40]

Using this data, this chapter is able to provide two new findings about what makes incumbents vulnerable. The first confronts the issue motivating most recent studies of gubernatorial elections: The interplay between local and national forces. Among recent publications examining incumbent success in gubernatorial elections, one set of papers has argued that national partisan tides (and little else) determine gubernatorial election outcomes, while another set has claimed that local (in-state) conditions also matter. When it comes to challenger emergence, though, both matter. Naturally, there was a national partisan trend in 2006; Republican incumbents attracted stronger challengers than Democrats. But that was not the end of the story; local conditions also mattered. In fact, each governor's personal approval in late 2005 had a much stronger effect on challenger strength in 2006 than partisanship alone did, indicating that skillful incumbents can detach themselves from their party sufficiently to escape negative trends.

The second finding concerns the partisan nature of the governor's support base. Although we can predict challenger quality well using each incumbent's aggregate approval ratings, these predictions improve when based on cross-party approval.[41] Cross-party approval predicts challenger strength far better than approval among independents

[40] I discuss the reliability of SurveyUSA's data in chapter 3.
[41] Cross-party approval refers to approval among members of the opposition party (i.e. excluding independents).

or among the governor's co-partisans. This finding, established in greater detail below, connects my analysis to recent concerns in the literature about rising polarization among American voters (see, for example, Jacobson 2007 and McCarty et al. 2006). Governors with a polarized support base attract stronger challengers than governors with broad-based appeal.

Of course, as interesting as challenger quality might be, it has little practical relevance unless strong challengers outperform weak challengers on election day—and not merely because they chose to challenge a weaker incumbent. Chapter 6 will address that question, however; the present chapter's sole purpose is to show how and why challenger quality varies in the first place. Toward that end, this chapter is divided into two sections. The first section looks at each challenger's prior political experience, demonstrating that vulnerable incumbents attracted challengers with more political experience than did strong incumbents. The second section looks at each challenger's fundraising success, showing that challengers raised more campaign contributions if the incumbent appeared vulnerable early on.

5.1 Strategic Candidates

Governors who were generally unpopular in late 2005 attracted experienced challengers in 2006. The simplest proxy for challenger experience is the highest percentage of the state that the challenger had previously represented. Of course, this variable has a severe upward skew; politicians represent either a small part of the state (0

to 20 percent) or the whole thing. To account for this, I use the logged percentage.[42] The resulting variable ranges from 0 to 4.61.

Of course, this dependent variable makes no sense unless each state actually had a potential challenger with statewide experience who could have run. Otherwise, variation in this measure would reflect no more than the depth of each state's candidate pool. Among the twenty-six states included in this chapter, however, this hypothetical concern presents no actual problems. As evidence, consider the two states where this concern seems most plausible, Texas and Alabama. Of all the states in my sample, these two states showed the highest propensity to support the incumbent's party during the previous four presidential, senate, and gubernatorial elections, a total of twelve contests.[43] In Texas and Alabama, eleven of these twelve races went to Republicans, implying a dearth of experienced Democratic politicians who could have run for governor. Nevertheless, Alabama still procured a strong challenger (a lieutenant governor). In addition, Texas could have produced a strong challenger than it did; prominent Democrats include two former Secretaries of State (Henry Cuellar, currently in the U.S. House, and Ron Kirk, later a popular mayor in Dallas) and a respected former Speaker of the Texas House (Pete Laney).

After Texas and Alabama, Oregon and South Carolina had the next strongest one-party propensity in the incumbent's favor, having supported the governor's party in ten of the twelve recent major elections. But in these states also, there were potentially strong

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[42] I first increment each percentage by one so that all logs will be defined.

[43] In calculating partisan propensity, I use the previous four presidential elections, the previous four senate elections (or more, if there were special elections during this period), and the previous four gubernatorial elections, including the one that elected the current governor. In states holding biennial gubernatorial elections, only quadrennial results are included. Sources: Rusk (2001, tables 4-36, 4-35, 6-31, 6-32, 7-59, 7-60, 7-61); Federal Election Commission reports; and state government web sites.

challengers who could have run but chose not to, including a Republican senator in Oregon and a Democratic former governor of South Carolina. While it is true that the potential candidate pool in these four states was shallower than in other states, every state had at least a few potential candidates with statewide experience who could have run, although they chose not to. As such, we need not worry that the results below reflect no more than the depth of each state's challenger pool; whether experienced candidates emerged reflects calculations by these potential challengers about their strategic interests. The highest percentage of the state that the eventual challenger had previously represented is a valid indicator of challenger experience.

Regressing this logged percentage on average 2005 gubernatorial and (state-level) presidential approval ratings[44] yields strong evidence that potential challengers behaved strategically (see Table 5-1). I use average approval ratings from May through December 2005, but this decision is not consequential; similar results obtain from any other reasonable set of months. Partisanship had a powerful effect in 2006; as the first OLS model in this table shows, the partisan dummy causes a 6.96 point change in the expected value of the dependent variable, exceeding the variable's 4.62 point range. Accordingly, no Democrat was predicted to encounter a challenger with much experience, which was mostly accurate.[45] Among Republicans, local conditions clearly mattered; at the margin, a one point drop in a governor's 2005 approval level would be associated with an 8.1 percent rise in the percentage of the state the challenger had represented.[46] Bush's (state-

[44] Presidential approval ratings are positive in states with a Republican governor, negative otherwise.
[45] Only Blagojevich (Illinois) was an exception, attracting a challenge from the state's treasurer.
[46] In these estimates as well as the tobit estimates that follow, gubernatorial approval does not interact with respondent partisanship. Although interactive estimates imply that gubernatorial had roughly two-thirds the

level) approval had a less noticeable effect, which is poorly estimated here but in the expected direction.

Table 5-1: Predicting Challenger's Logged Percent of State Represented

	OLS 1	OLS 2	OLS 3
Governor is a Republican	6.96*	13.60**	5.94
	(3.10)	(4.85)	(7.81)
Governor's approval (May-Dec 2005)	-0.08**		
	(0.02)		
Bush's approval (May-Dec 2005)	-0.06		
	(0.04)		
Governor's out-party approval		-0.06***	
		(0.01)	
Bush's out-party approval		-0.13*	
		(0.02)	
Governor's in-party approval			-0.07†
			(0.04)
Bush's in-party approval			-0.04
			(0.09)
Constant	3.07	-6.85	5.07*
	(2.12)	(4.16)	(2.13)
N	26	26	26
R^2 (adjusted)	0.46 (0.39)	0.49 (0.42)	0.28 (0.18)

Note: Robust standard errors in parentheses. $^{\dagger}p\leq0.10$, $*p\leq0.05$, $**p\leq0.01$, $***p\leq0.001$.

Although the incumbent governor's raw approval level is informative to challengers, though, it is less informative than the governor's ability to attract cross-party support, as shown by the second OLS model in Table 5-1. When measured exclusively among respondents from the governor's opposition, gubernatorial and presidential approval predict challenger quality more precisely than the aggregate approval ratings

effect among Democratic incumbents compared to Republican incumbents, these estimates never come remotely close to statistical significance.

do.[47] The fit improves only slightly, but the individual coefficients have less uncertainty about them. By contrast, running these analyses using the in-party approval variables renders all coefficients (except the constant) insignificant by traditional standards, with R^2 dropping from 0.49 in the out-party model to 0.28. Measuring approval among independents produces results between these two extremes.

There are two primary reasons that cross-party appeal should matter so much. First, if members of the challenger's party like the incumbent, then their potential policy gains from replacing the incumbent with a member of their own party are diminished; as such, they will be less motivated to donate money to the challenger's campaign or to turn out to vote against the incumbent (Downs 1957). Second, out-party approval is more informative to potential challengers than in-party approval, given that in-party approval is so much easier to acquire and maintain. The data in Table 5-2, support this assumption; the table shows average gubernatorial approval ratings (standard deviations in parentheses) by partisan subgroup. For governors of either party, cross-party approval has a substantially higher standard deviation than in-party approval. For Democrats, the standard deviations climb from 9 to 15; for Republicans, from 8 to 16.[48] This difference implies that out-party respondents are more willing to change their opinions about the incumbent than in-party respondents are.[49] Strauss (2007) offers an explanation for this difference, showing that governors can choose to court out-party constituents by adopting

[47] To be clear, the governor's "out-party" approval refers to his popularity among respondents from the opposition party. Bush's out-party approval refers to state-level presidential approval among the same group of respondents; negative in states with Democratic governors.
[48] Among independents, the standard deviation is 9.9 for Democratic incumbents and 11.2 for Republicans.
[49] Perhaps for this reason, aggregate approval correlates with out-party approval at 0.94 ($p<0.0001$) but with in-party approval at only 0.76 ($p<0.0001$). However, this stronger correlation does not explain why out-party approval is a better predictor of challenger quality than approval among other groups, given that the correlation with approval among independents is also 0.94 ($p<0.0001$).

moderate stances on certain symbolic issues, particularly abortion; simply put, governors differ in their willingness and ability to woo members of the opposing party. For these two reasons, the incumbent's cross-party appeal is a most valuable cue to potential challengers.

Table 5-2: Gubernatorial Approval: Averages and Standard Deviations

	Republican respondents	Democratic respondents
Democratic governors (13 states)	40.5 **(15.1)**	62.6 **(9.3)**
Republican governors (13 states)	71.8 **(7.9)**	42.4 **(16.1)**

Note: Approval ratings are averages from May to December 2005. Includes only the 26 states used in Table 5-1. Standard deviations in parentheses. Bold print is for emphasis only.

Returning to Table 5-1, the dependent variable in these two OLS equations is censored, strictly speaking, not continuous; candidates cannot have represented more than everybody or less than nobody. Because this variable is censored at the minimum and maximum levels of experience, ordinary least squares analysis will tend to underestimate the effects of the right-hand variables.[50] By switching from OLS to Tobit, the two models shown in Table 5-3 correct this bias; these new models produce much larger coefficient estimates than their respective OLS analogs, albeit with a small loss in precision. I present the first estimate only for comparison; for reasons already given, I focus my discussion on the second.

[50] Six challengers are censored at 0, another six are censored at 4.61, and the remaining 14 are uncensored.

Table 5-3: Predicting Challenger's Logged Percent of State Represented (Tobit)

	Tobit 1	Tobit 2
Governor is a Republican	11.97†	22.93*
	(6.49)	(11.18)
Governor's approval (May-Dec 2005)	-0.13**	
	(0.04)	
Bush's approval (May-Dec 2005)	-0.10	
	(0.07)	
Governor's out-party approval		-0.08**
		(0.03)
Bush's out-party approval		-0.22†
		(0.12)
Constant	3.49	-13.15
	(3.13)	(9.43)
N	26	26
Pseudo R^2	0.16	0.17

Note: Standard errors in parentheses. †p≤0.10, *p≤0.05, **p≤0.01, ***p≤0.001.

From the second tobit analysis, a Republican incumbent where both gubernatorial and presidential approval stood at their (out-party) averages (42 and 14 percent respectively) could expect a challenger who had represented 21 percent of the state—a moderate, but still formidable, challenge. Increase her approval by one standard deviation (to 59), and she can expect a challenger who had represented only 5 percent of the state. Decrease her approval by one standard deviation (to 26), and she can expect a challenger with statewide experience.[51] By contrast, a Democrat with gubernatorial and presidential approval at their out-party averages (41 and 80 percent respectively) would expect a challenger with no political experience whatsoever—and it would take a dramatic drop in gubernatorial approval to change this prediction. Figure 5-1 presents these tobit predictions graphically across the observed range of (out-party) gubernatorial approval,

[51] More precisely, the prediction is that the challenger will have represented 92 percent of the state.

holding each state's presidential approval at the out-party mean (14 percent for Republican incumbents, 80 for Democrats). The effects of party and approval are substantial. In 2006, experienced challengers rapidly became more frequent for Republican incumbents as approval fell. At the same time, only the least popular Democrats had reason to fear an experienced challenger; the effects of partisanship alone were sufficient to protect almost every incumbent.[52]

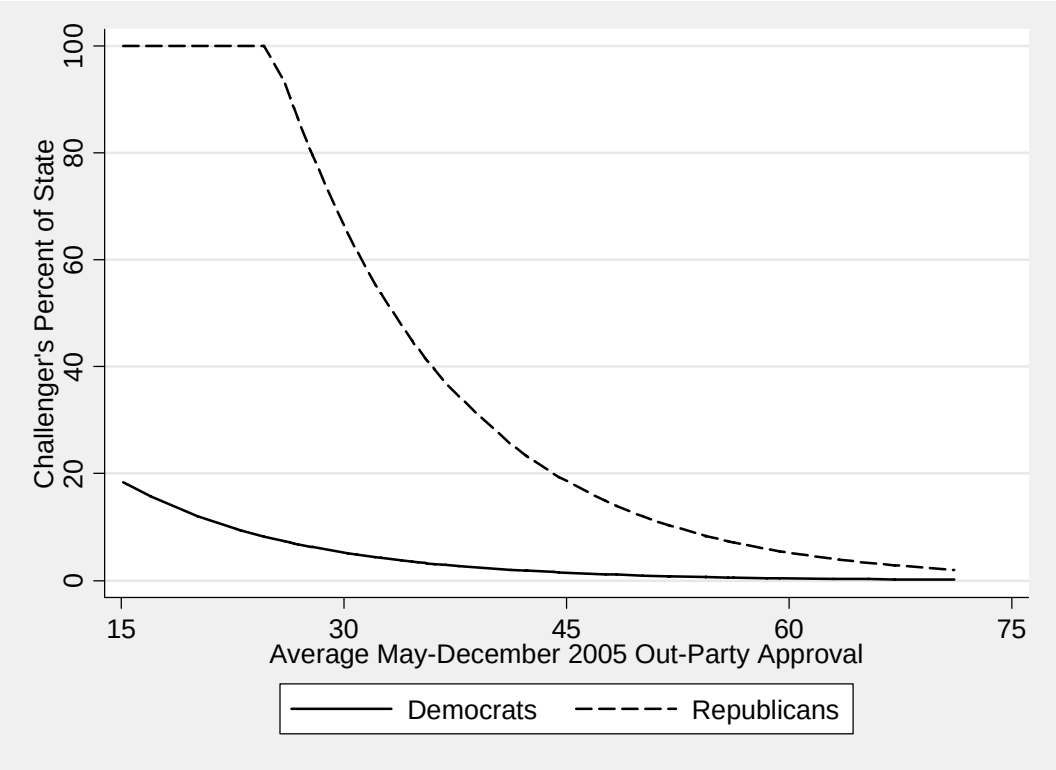

Figure 5-1: Predicting Challenger Political Experience

Skeptics might justifiably complain about the dependent variable in these regressions, however. By measuring experience as the highest percentage of the state the challenger had ever represented, one assumes that offices are qualitatively identical and

[52] On interactions between gubernatorial approval and partisanship; see note 46.

differ only in the number of voters they represent. Clearly this assumption is inaccurate. A state's legislative majority leader represents the same number of constituents as a backbencher, yet these two offices have unequal political significance. Similarly, U.S. House districts in some states are only marginally larger than state legislative districts, yet House members would intuitively seem to have far greater prominence all the same.

5.1.1 An Ordinal Model of Challenger Quality

To increase confidence in the preceding analyses, I supplement them with results based on a more flexible, ordinal definition of challenger quality. Candidates who have represented their entire state are clearly the highest quality challengers; in 2006, six challengers had statewide experience. And candidates who have held no electoral experience are almost always the lowest quality challengers, unless they have some other source of name recognition. Excluding Pennsylvania's well-known but politically inexperienced challenger, 2006 witnessed five low-quality challengers.

But between these two extremes are a variety of politicians who have held some level of electoral office (refer again to Table 2-3). Clumping these politicians into a single medium-quality category would overlook the diversity within this group. At one end, we have Oklahoma's challenger, a member of Congress whose district covered twenty percent of the state; at the other end, we have New Hampshire's challenger, whose state legislative district covered only 0.25 percent of the state. In 2006, fourteen challengers fit into this middle category; ten had represented less than four percent of the state, while the other four had represented between ten and twenty percent.[53] Dividing

[53] Rounding percents to the nearest integer.

these fourteen politicians into medium-low and medium-high quality groups makes both quantitative and qualitative sense. Quantitatively, there is a large gap in district size between these two groups. Qualitatively, it happens that all four politicians with larger districts also held the sorts of offices that get more media coverage than a typical state legislator: Three held seats in the U.S. House and the fourth was Baltimore's mayor. We are left, then, with four ordinal categories of challenger quality: Low, medium-low, medium-high, and high.

State legislative leadership complicates this classification, though. Majority and minority leaders have influence that permeates the entire state; if there had been any such challengers in 2006, they would be higher quality candidates than their district size suggests. State legislative whips and assistant floor leaders lack the majority leader's prominence, but still have more influence than a backbencher. The small size of their legislative districts suggests that they ought to be considered medium-low quality, but their leadership roles suggest that they have more going for them politically than other legislators might. To account for these competing considerations, I bump these legislative leaders from medium-low to medium-high. I also classify inexperienced candidates who nonetheless have broad name recognition—in 2006, this would be Pennsylvania's Lynn Swann—as medium-high.

Though parts of this classification scheme are admittedly arbitrary, reasonable modifications do not change any of my substantive findings. These four ordinal categories make intuitive sense, especially if they are conceptualized in the following general terms:

- Low quality (five challengers): No experience or name recognition;

- Medium-low (seven challengers): Some political experience, doubtful name recognition;
- Medium-high (eight challengers): More political experience, some name recognition;
- High quality (six challengers): Solid political experience.

As before, I use each incumbent's average May-December 2005 approval and a partisan dummy to predict challenger quality.[54] Table 5-4 presents a simple ordered logit model of challenger quality using this data. As with the previous analysis, both gubernatorial approval and partisanship have significant effects in the expected directions. The analysis in the table uses aggregate approval ratings; running the analysis using either out-party or in-party support yields similar estimates, although the fit declines (by some measures), particularly when using in-party ratings (not shown).[55]

[54] I omit Bush's state-level approval from this model, since it adds nothing to this model's fit, nor does it substantially change the other coefficients or their significance.

[55] Econometricians offer no consensus measure of fit for this type of model. Those curious about fit may find the R^2 (and adjusted R^2) from OLS estimates of this equation interesting. Using aggregate approval, it is 0.41 (0.36 adjusted); using out-party data, 0.36 (0.30); using in-party data, 0.28 (0.22). Though the differences are less clear-cut here, this pattern does not conflict with my contention that potential challengers pay particular attention to the governor's cross-party appeal, given the large decline in precision accompanying a shift to in-party data.

Table 5-4: An Ordered Logit Estimation of Challenger Quality

	Coefficient	S.E.
Governor's approval (May-December 2005)	-0.11**	0.04
Governor is a Republican	2.05*	0.84
Cut 1	-7.60	2.42
Cut 2	-5.84	2.21
Cut 3	-3.81	1.99
N	26	
Percent modal (Percent correctly classified)	30.8% (46.2%)	
Proportional reduction in error	0.22	

Note: Calculation of proportional reduction in error: (percent correct – percent modal) / (1 – percent modal). *p≤0.05, **p≤0.01.

Ordered logit coefficients have no intuitive interpretation apart from their direction and statistical significance. To facilitate interpretation of these results, Figure 5-2 plots the cumulative probability that a governor will face a higher quality challenger against the observed range of approval ratings.[56] For members of either party, movement in the incumbent's approval ratings rapidly changes the predicted probability that the incumbent will face a high-quality challenger. And across the board, Republicans operate at a clear disadvantage. In fact, the "mid-low" band for Democrats lies roughly where the "mid-high" band lies for Republicans, suggesting that Republican incumbents tended to attract a challenger one level stronger than a comparable Democrat would have attracted. In addition, note that the probability of a Democratic attracting a low or medium-low quality challenger remains above 50% until the incumbent's approval falls into the low 50s; by contrast, the probability of a Republican attracting a high or medium-high quality challenger remains above 50% until the incumbent's approval rises into the high 60s.

[56] Calculated using the SPOST package for Stata from Long and Freese (2006).

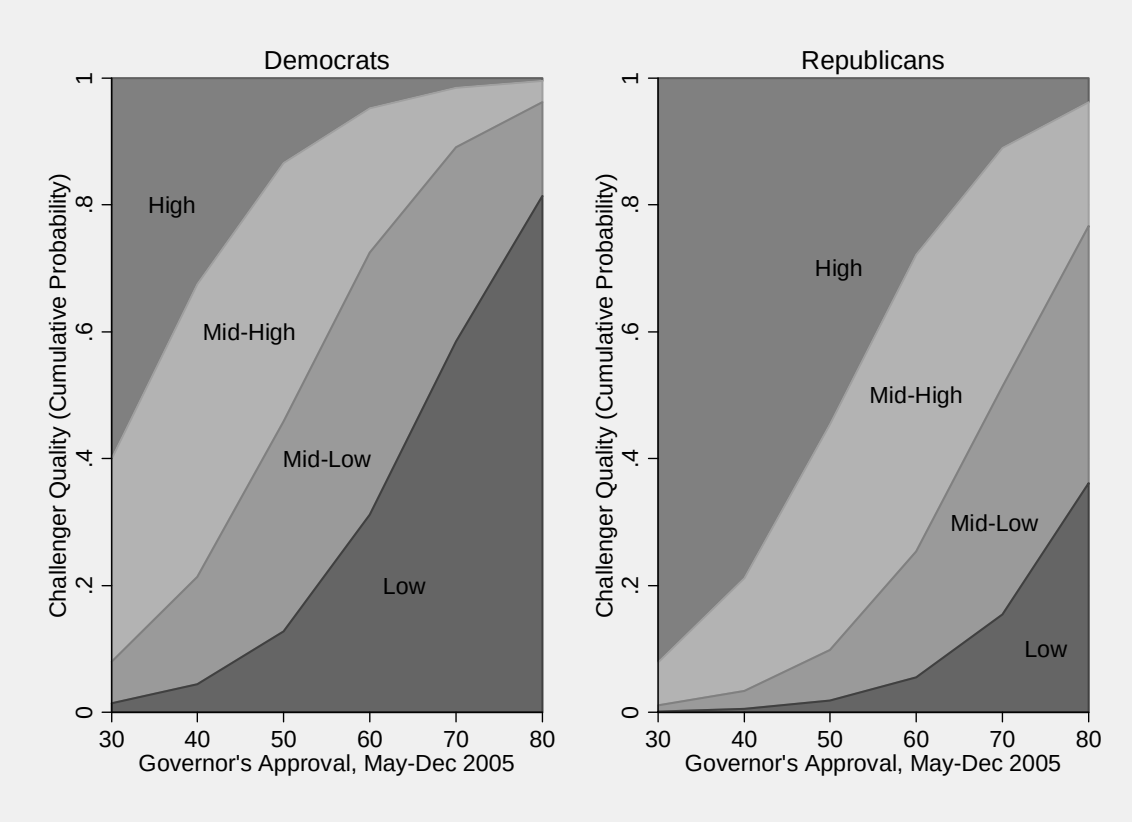

Figure 5-2: Cumulative Predicted Probabilities of Challenger Quality

Taken together, these OLS, tobit, and ordered logit analyses demonstrate that each governor's partisanship and 2005 approval ratings clearly affected the quality of his or her eventual challenger, whether quality is measured using the logged percentage of the state the challenger had represented or using a more subjective ordinal measure. These results are robust to a variety of manipulations, such as using approval data from different sets of months, including additional independent variables,[57] manipulating the number of ordinal categories, changing the boundaries for the ordinal categories, or using

[57] Other variables tested include (among others) each state's partisan propensity (a measure of how frequently each state has elected politicians from the challenger's party in recent gubernatorial, senatorial, and presidential elections) and state-level presidential approval, tested under several specifications. These variables were rarely if ever significant. Bayesian model selection supports omitting them (see Raftery 1995).

disapproval ratings instead of approval ratings. Partisanship is significant in many of these alternative specifications, but the consistent statistical significance of gubernatorial approval in all these models supports my claim that other variables enter the strategic calculus only through their effects on incumbent popularity.

Prior to the present analysis, the two main studies asking whether potential gubernatorial challengers behave strategically where Squire's (1992) and Leal's (2006). Squire found that challengers were strategic, but his findings were less persuasive than they could have been due to his use of an untested index of challenger quality. By contrast, Leal did not find a statistically significant relationship between incumbent vulnerability and challenger quality. Lacking the sort of direct measure of gubernatorial approval that I use here, Leal instead relied on a variety of proxy measures, including the incumbent's age, primary election margin, length of tenure, and previous election margin, as well as the state's income growth, crime rates, SAT scores, and unemployment rates—and found none of them to be significant. However, my results suggest that Leal's findings might have been different if he had enjoyed access to a direct measure of incumbent vulnerability.

At least in 2006, potential challengers clearly behaved strategically. Their decisions reflected the incumbent's late 2005 popularity, particularly among respondents from the opposition party. The robustness of this finding to alternative specifications should partially assuage concerns about this study's small sample size.

5.2 Strategic Donors

Potential donors respond strategically to incumbent vulnerability in the same manner as potential challengers. Though campaign donors may have diverse motivations—access to elected officials, changing electoral outcomes, or simply currying favor—they gain little from their contributions if they support a candidate with no chance of winning. As such, the same variables that predict challenger experience should also predict challenger fundraising.

Unfortunately, huge state-to-state differences in population complicate cross-sectional analysis of gubernatorial campaign finance. In the past, spending has typically risen with population at a decreasing marginal rate, rendering neither per-voter nor total spending figures a perfect measure and giving rise to various efforts to make spending data comparable across states (Abramowitz and Segal 1992; Gerber 1998; Jacobson 1980, 1985). In 2006, however, the relationship between state population and campaign spending was not especially strong; in Table 2-3, note that challengers in Arizona, Wisconsin, and Maryland raised (respectively) $1.3, $6.9, and $14.9 million, even though all three states have roughly the same population (5.6 to 6.2 million). Rather than adjust spending for population, then, I employ the log transformation in the analyses below with population included as a separate statistical control.[58]

Table 5-5 gives evidence that early signs of incumbent vulnerability do encourage potential donors to contribute to challengers. For a Republican incumbent in an average-sized state (6.4 million inhabitants), dropping from the highest to the lowest observed

[58] I use the log transformation merely because it produces the best fit, although raw spending figures result in the same substantive results. Dividing raw spending by each state's number of electoral votes also yields estimates in the same directions, but with poorer fit and less consistent statistical significance.

approval ratings—that is, from 80 to 37 percent approval—would lead us to predict a rise in the challenger's finances (excluding self-finance) from $0.6 to $7.2 million.[59] Repeating the estimations with challenger self-finance included in the spending figures weakens the estimated coefficients, but this is not surprising since the strategic donor model does not necessarily apply to self-contributions.

Table 5-5: Models of Challenger Finance

	Excluding self-finance	Including self-finance
Governor's approval (May-Dec 2005)	-0.06*	-0.04†
	(0.03)	(0.02)
Governor is a Republican	0.33	0.00
	(0.48)	(0.43)
Population (millions)	0.07†	0.08*
	(0.04)	(0.03)
Constant	17.12**	16.76**
	(1.56)	(1.39)
N	26	26
R^2 (adjusted)	0.54 (0.47)	0.56 (0.50)

Note: The dependent variable is the natural log of contributions to the challenger. Standard errors in parentheses. $^{\dagger}p\leq0.10$, *$p\leq0.05$, **$p\leq0.01$.

The partisan advantage is in the correct direction, but weak and statistically insignificant. Figure 5-3 makes the relative unimportance of this variable apparent. In addition, variables measuring the effects of national political conditions, including Bush's state-level approval rating and the state population's feelings about the Iraq war, did not have consistently significant effects once partisanship and population were controlled, nor did the governor's lagged vote share matter. Although the estimated effect of partisanship is weak, then, it appears to have controlled for national tides as well as any

[59] Inserting an interaction between gubernatorial approval and partisanship produces a statistically insignificant estimate that the effect of approval was stronger when the incumbent was a Democrat.

other measure could. Apparently, then, the Democratic national tide in 2006 was more threatening to potential challengers than to potential donors. This makes sense; whereas potential challengers risk their entire political careers, potential donors risk only a few hundred dollars. Moreover, donors have the option of simply channeling their money toward a promising challenger in another race rather than withholding their money entirely. Perhaps for these reasons, potential donors paid far more attention to each incumbent's personal vulnerability than to the national partisan tide.

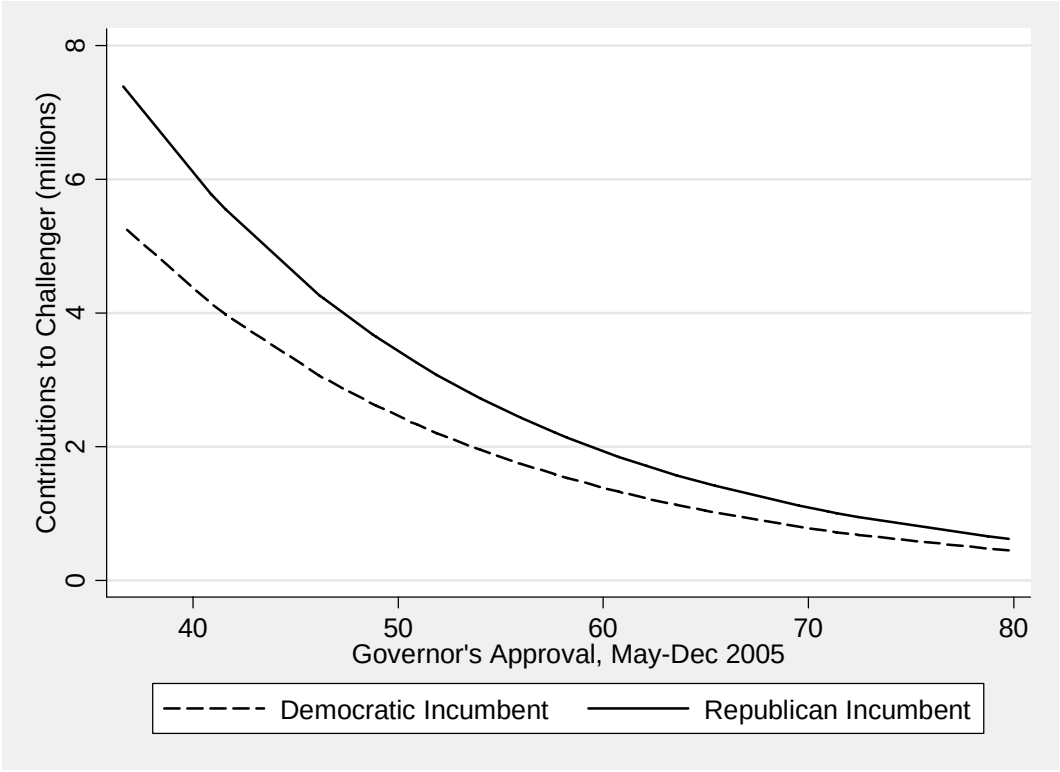

Figure 5-3: Predicted Contributions to Gubernatorial Challengers

Using out-party approval in these regressions produces essentially the same results. However, in-party approval and approval among independents do not produce the same results; in either case, the approval variable loses its statistical significance and the

overall fit declines noticeably. These patterns imply that donors, like challengers, pay more attention to the incumbent's cross-party appeal than to popularity among other groups.

5.2.1 Do Donors Respond to Incumbent Vulnerability or to Challenger Quality?

Strategic donors may be attracted to vulnerable incumbents for two reasons. First, the incumbent's vulnerability may have given potential donors optimism that their contributions would go to a winning challenger. Second, the higher quality challenger that emerged in response to the incumbent's early vulnerability may have further encouraged potential contributors. Distinguishing between these two motivations empirically is a straightforward proposition: It requires only adding a measure of challenger quality to the previous regression. Table 5-6 presents one such analysis, omitting the partisanship dummy found insignificant earlier and controlling for the logged percentage of the state that each challenger had previously represented. Though adding this new variable does improve the fit slightly and weaken the effect of incumbent approval, it is not significant ($p=0.125$) by traditional standards even though the coefficient itself is substantial.[60]

[60] Holding approval and population at their means, an inexperienced challenger could expect only $1.3 million in contributions, while a challenger with statewide experience could expect $3.5 million.

Table 5-6: Additional Models of Challenger Finance

	Coefficient	Standard error
Governor's approval (May-Dec 2005)	-0.04†	0.02
Population (millions)	0.07*	0.03
Challenger's percent of state represented (logged)	0.22	0.14
Constant	16.04**	1.54
N	26	
R^2 (adjusted)	0.57 (0.52)	

Note: The dependent variable is the natural log of contributions to the challenger, excluding self-finance. Standard errors in parentheses. †p≤0.10, *p≤0.05, **p≤0.01.

The same substantive results obtain when using a variety of other measures of challenger quality, using a variety of additional controls and specifications. For all these modifications of Table 5-6, the conclusions are the same: In 2006, donors appear to have paid primary attention to the incumbent's early vulnerability, with the eventual challenger's experience a secondary consideration at best. This does not mean that donors gave indiscriminately to challengers based only on incumbent vulnerability. Donors may have considered such unquantifiable factors as the challenger's reputation, charisma, and policy positions. In fact, chapter 6 provides evidence that donors were considering some unobservable indicators of quality such as these.

5.3 Discussion

The existing literature on gubernatorial elections has uncovered many interesting correlations between economic and political variables and election results. But most researchers have overlooked the importance of challengers and donors, whose strategic decisions mediate election outcomes by structuring the choices available to voters on

election day. Although this insight has gained broad acceptance among Congressional researchers, it has had inadequate application to gubernatorial elections. While this chapter has not attempted to show that these strategic behaviors actually affect the election result—the next chapter does so—it has shown that challenger behavior is systematic and predictable.

Besides answering the elementary question that gubernatorial challengers are strategic, this chapter also provides two insights applicable to the more general strategic politicians theory, as discussed above. First, potential challengers pay considerable attention to each incumbent's personal popularity; national partisan tides are a secondary consideration. This may not be true in the Congressional context, of course—previous research has shown that governors are better able than Senators to shield themselves from national partisan trends (Jacobson 2006)—but it appears to be true in the gubernatorial context.

Second, challengers are particularly responsive to each incumbent's cross-party appeal. While it was not the case that every model reported above had better fit and statistical significance using cross-party approval than using aggregate approval, it was true that cross-party approval yielded better results in every case than in-party approval; using approval among independents produced intermediate results.

These two findings have implications for other literatures. The first finding holds lessons for the broader literature on gubernatorial elections. Several previous studies have argued that gubernatorial election results reflect national partisan trends and little more. However, this analysis shows that the incumbent's personal popularity affects challenger quality and financing; the governor's partisanship, or the president's state-level

popularity (even when interacted with the governor's partisanship), was of secondary importance, particularly when it comes to campaign finance. To the extent that concerns about the state's economy, education system, crime rate, and other factors affect the governor's approval rating, they also affect challenger experience and finances.

The second finding is relevant to the recent literature on voter polarization. If cross-party approval predicts challenger experience and financing better than approval among other partisan subgroups, then rising voter polarization could lead to a rising level of challenger quality in gubernatorial elections.

Naturally, these conclusions beg the question of whether candidate quality even matters on election day, a topic addressed in the following chapter. But even without taking that step, this chapter has shown that gubernatorial elections, despite their prominence, are subject to the same strategic considerations originally developed to explain Congressional elections.

6 Do Challengers Matter?

In the 2006 gubernatorial elections, potential challengers and their financial backers acted strategically when deciding whether to challenge one of the twenty-six governors running for reelection. Governors who were unpopular in late 2005 attracted more experienced, better financed challengers than governors who were popular (see chapter 5). Even if we ignore this strategic dynamic, we can predict the incumbent's share of the two-party vote with surprising accuracy using gubernatorial approval data from late 2005—that is, approval data collected a full year or more before any votes are cast. When combined with a dummy for the governor's partisanship, these approval ratings explain fully half of the variance in incumbent vote shares.[61]

Taken together, these two facts tempt us toward the conclusion that experienced, well-financed challengers ran fiercer, more successful campaigns, thereby causing the strong relationship between late 2005 approval and November 2006 election results. Consistent with this notion, a naïve regression of the incumbent's two-party vote share on the challenger's experience and financing shows that these two variables explain 51

[61] Results available by request. Approval data are averages of monthly surveys among those with an opinion spanning May through December 2005. For details about SurveyUSA, the pollster that collected the data, see chapter 3.

percent of the variance in the 2006 gubernatorial election results.[62] This strong relationship is unsurprising; we already know that stronger challengers fare better in House (Jacobson 1989) and Senate (Lublin 1994) elections. But showing that strong gubernatorial challengers outperform weak ones does not of itself demonstrate that challenger strength has an independent effect on the result—it is possible that quality candidates fare better only because the incumbent they are challenging was weak to begin with. Unless quality challengers have an independent effect apart from the conditions that prompted their candidacy, then the fact that potential challengers and donors behave strategically when deciding to take on the incumbent becomes a meaningless tidbit of only academic interest.

If challenger strength does matter, its influence may stem either from challenger experience or from campaign spending, both of which differentiate weak challengers from the strong. Given these two aspects of quality and the possibility of interactions, any of four hypotheses might characterize the relationship between challenger strength and election results.

- Perhaps the challenger's experience affects the outcome;
- perhaps the challenger's spending does;
- perhaps the result is interactive in some way, either with an interaction between experience and finance or between challenger quality and the incumbent's vulnerability;

[62] Experience is the highest percentage of the state the challenger had previously represented in elected office, logged; spending is the challenger's percentage share of the two-candidate spending total.

- and perhaps neither experience nor spending has any real effect at all (null hypothesis).

I test these hypotheses in two empirical sections below, each examining a separate outcome of interest. First, I apply them to the incumbent's approval ratings, asking whether strong challengers are able to hurt the incumbent's popularity over the course of the campaign. Second, I apply them to the incumbent's share of the two-party vote on election day. In each section, I begin by setting up a baseline model that predicts the outcome using only three variables: The governor's partisanship, the governor's late 2005 approval ratings, and the president's state-level approval from the same period. These are the same variables that predict challenger strength in the first place (see chapter 5). I then add my two indicators of challenger strength (i.e. experience and finance) into this baseline model, separately and then together; if these variables do not improve on the baseline regression, then we must conclude that challenger strength has no independent effect and that strong challengers merely exploit favorable conditions.

From a theoretical standpoint, we have no reason to expect challenger strength to have the same effect on both dependent variables used below. The reason lies in the structural differences between election results and approval data. Simply put, elections are different from approval surveys. On election day, voters evaluate the incumbent relative to the challenger; if the challenger is politically experienced and well-known then it seems reasonable that voters desiring change might be willing to put their faith in her, but if the challenger is a political neophyte then even those who intensely dislike the incumbent may hesitate to place the challenger in office. In approval polls, by contrast, respondents evaluate the incumbent in isolation, not in relation to the challenger.

Challenger quality may matter indirectly in approval polls, at least to the extent that political experience and campaign spending help challengers formulate more effective attacks on the incumbent, but it might not.

More precisely, any effects of challenger quality on approval ratings and election results may arise from two separate sources. First, it might be that strong challengers run better campaigns; second, it might be that campaigns do not matter at all, and strong challengers do better than weak challengers only because voters are unwilling to abandon an incumbent, no matter how unpopular, for a political rookie. When analyzing election results, we observe the simultaneous effects of both these mechanisms and cannot disentangle them statistically. But when analyzing approval ratings over the course of the campaign, we observe only the first mechanism. To the extent that challenger quality has different effects on approval ratings than on vote shares, then, we glean insights about the relative importance of these two mechanisms.

As it turns out, challenger strength does affect approval differently than vote shares. Challenger strength has two components, political experience and campaign spending. Although the challenger's spending has roughly the same effect on both outcomes of interest, the challenger's experience does not. When it matters most—that is, on election day—the challenger's prior experience has a slight negative effect on the incumbent's vote share, just as we would expect, particularly among Democratic challengers to Republican incumbents. At the same time, challenger experience appears to have no effect whatsoever on gubernatorial approval ratings over the course of the campaign. This implies that challenger experience matters only to the extent that it

provides voters with a real choice; experienced challengers were not necessarily better campaigners than inexperienced challengers in 2006.

By contrast, the challenger's spending has exactly the effects we would expect it to have on both outcomes of interest: When the challenger spends more money, the governor's vote share and approval ratings both fall. Spending has the strongest effects among Republican challengers to Democratic incumbents. But in stark contrast to how money works in Congressional elections, the challenger's spending is not the only thing that matters; the incumbent governor's spending matters just as much, if not more, making incumbents resilient to all but the fiercest challengers. Challenger spending may be statistically significant, but challengers are nonetheless unlikely to win unless they manage to outspend the incumbent by a substantial margin.

6.1 Challenger Quality and the Incumbent's Approval Rating

To assess the effects of challenger strength on the incumbent's approval, I measure approval as the one-step change in each governor's approval rating between May-December 2005 and September-October 2006.[63] By differencing, I incorporate the incumbent's original vulnerability in the dependent variable, eliminating the need to control for it on the right-hand side. As such, the baseline model shown below controls only for the incumbent's partisanship,[64] which leaves much to be explained; on average,

[63] To clarify, the first period is the average of monthly surveys from May through December 2005; the second period is the average of two monthly surveys, one in mid-September and one in mid-October. Roughly the same results obtain when using other reasonable sets of months.

[64] The in-state change in Bush's approval ratings does not improve any of the models in this section, so it is omitted entirely.

Democratic governors enjoyed a 4.26 percentage point rise in approval during the campaign, while Republicans saw a much smaller rise (see Table 6-1).[65]

Table 6-1: Changes in the Incumbent's Approval Rating (Baseline Models)

	All	Republicans	Democrats
Governor is a Republican	-3.46		
	(2.36)		
Constant	4.26*	0.80	4.26*
	(1.67)	(1.75)	(1.58)
N	26	13	13
R^2 (adjusted)	0.08 (0.04)		

Note: Standard errors in parentheses. The dependent variable is the change in the incumbent's aggregate approval rating from May-December 2005 to October 2006. $^{\dagger}p \leq 0.10$, $*p \leq 0.05$.

6.1.1 Does Experience (alone) Help?

The challenger's political experience does not appear to hurt the incumbent's popularity over the course of the campaign; unexpectedly, the challenger's prior experience actually had the opposite effect in 2006. For reasons explained in the next section, I measure political experience as a dummy variable derived from the four-category scale introduced in chapter 5; challengers in either of the top two categories are coded here as experienced. As shown in Table 6-2, incumbents with experienced challengers enjoyed a five-point rise in their approval ratings over the course of the campaign relative to incumbents with inexperienced challengers. This odd finding weakens under some specifications of the model, but no specification yields a significantly negative estimate—although several specifications return a significantly

[65] I use aggregate approval data here. Out-party approval yields similar results, as discussed below.

positive estimate like the one shown below.[66] This puzzling pattern persists even when Republicans and Democrats are examined separately, although it is somewhat stronger among Democratic challengers to Republican incumbents.

Table 6-2: Effects of Challenger Experience on Incumbent's Popularity

	All Incumbents	Republicans	Democrats
Governor is a Republican	-4.27†		
	(2.17)		
Experienced challenger (dummy)	5.32*	6.27†	4.42
	(2.18)	(3.26)	(3.02)
Constant	1.80	-3.06	2.22
	(1.82)	(2.56)	(2.05)
N	26	13	13
R^2 (adjusted)	0.27 (0.21)	0.25 (0.18)	0.16 (0.08)

Note: Standard errors in parentheses. †p≤0.10, *p≤0.05.

This unexpected result arises as an artifact of some reversion to the mean that occurred between late 2005 and October 2006. Figure 6-1 makes this pattern apparent, with changes in approval plotted against late 2005 approval. Reversion to the mean is a purely statistically phenomenon; other things being equal, those at the extremes on any variable in one period are likely to move toward the mean in the next. If no reversion to the mean had occurred, then the dots in this figure would form no pattern. Instead, we observe a clear negative relationship between late 2005 approval and changes in approval.

[66] The estimated coefficient varies in significance and magnitude depending on how experience is measured and on which type of approval data is used (out-party, independents, in-party), but under no specification is it significantly negative. This unexpected finding persists when switching from the first-differenced specification to a lag, with October approval on the left and average 2005 approval on the right. There are no outliers responsible for these results.

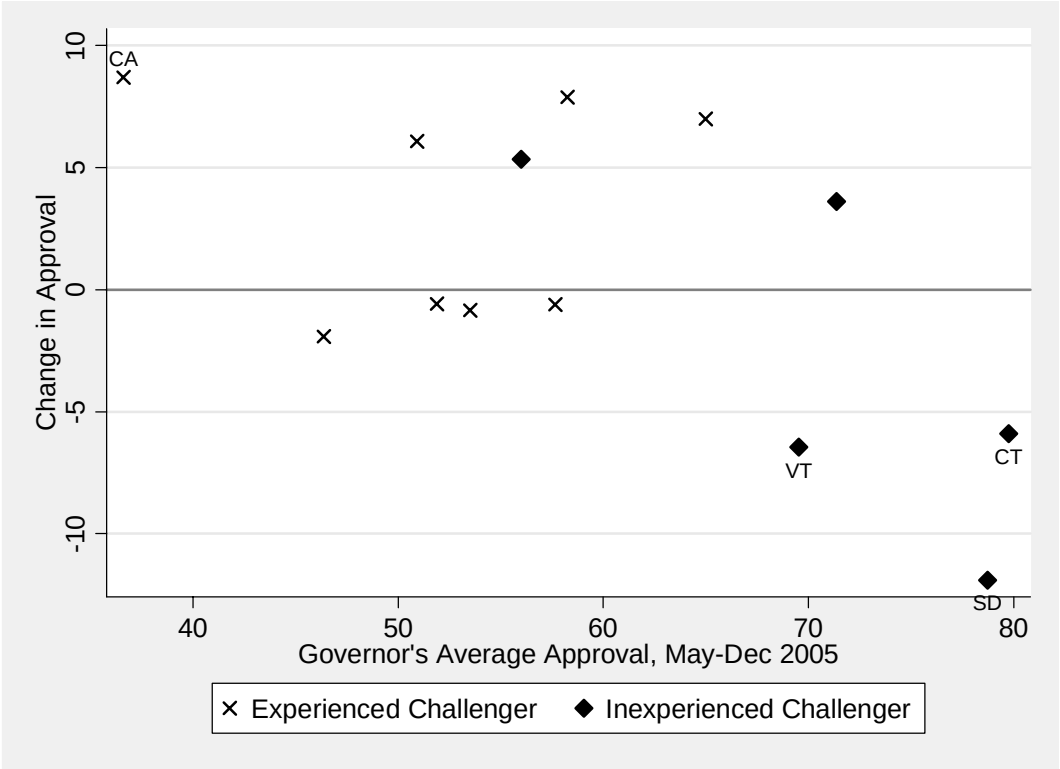

Figure 6-1: Regression to the Mean in Approval Data (Republican Incumbents)

Three of the most popular Republicans (in Connecticut, South Dakota, and Vermont) experienced the largest drops in approval; at the other extreme, the least popular governor (in California) experienced the largest rise. Due to their early popularity, the governors of Connecticut, Vermont, and South Dakota had attracted weak challengers; due to his early unpopularity, the governor of California had attracted a strong one. As such, challenger quality is unfortunately correlated with this statistical phenomenon[67]; these four influential observations bias the analysis toward finding a counterintuitive result.

[67] The correlation between the experience dummy and May-December 2005 approval is -0.55 (p=0.004).

One solution to this statistical problem would be to introduce a lagged approval measure, but with the present sample size even this tactic does not change the result. Given this statistical bias, then, we cannot make any conclusions about the effects of challenger experience on approval ratings. While it is possible that challenger experience genuinely did have the counterintuitive effect reported in Table 6-2, it seems far more plausible that challenger experience simply did not affect incumbent approval ratings at all—particularly in light of additional findings about challenger quality presented later in this chapter.

6.1.2 Does Money (alone) Help?

In contrast to challenger experience, challenger spending did have a clear, significant effect on the incumbent's popularity over the course of the 2006 campaign (see Table 6-3). Of course, analyzing the effects of campaign contributions is a tricky exercise. For one thing, it is rarely clear how to compare spending across states with unequal populations. I use the same measure developed in the previous chapter—that is, the logged dollar amount raised by each candidate.[68] The estimated effects of spending change little when contributions by challengers to their own campaigns are removed from the spending variable. While it is true that the fit and estimated coefficients rise slightly when challenger self-finance is included, the aggregate differences between the two models are relatively small. For purposes of this section, I focus my discussion on the first model.

[68] Logged challenger spending ranges from 12.7 to 17.6; logged incumbent spending ranges from 13.4 to 17.6. The standard deviations are 1.4 and 1.1, respectively.

Table 6-3: Effects of Challenger Spending on Incumbent's Popularity

	Including self-finance	Excluding self-finance
Governor is a Republican	-4.32*	-3.59†
	(1.83)	(1.91)
Incumbent's spending (logged)	5.53***	4.70***
	(1.29)	(1.23)
Challenger's spending (logged)	-3.25**	-2.41**
	(0.99)	(0.87)
Constant	-33.13*	-33.56*
	(13.10)	(13.75)
N	26	26
R^2 (adjusted)	0.50 (0.43)	0.45 (0.37)

Note: Standard errors in parentheses. †p≤0.10, *p≤0.05, **p≤0.01, ***p≤0.001.

In these estimates, observe that challenger spending has a substantial, statistically significant estimated coefficient. This estimate suggests that strong challengers can successfully lower the incumbent's approval rating over the course of the campaign. Though technically true, however, there is a difficulty with this conclusion: The incumbent's spending has a slightly stronger estimated effect than the challenger's—in the opposite direction. Thus, if the incumbent's spending rises to counter the challenger's, incumbents might fare much better than the challenger's spending alone would lead us to expect—and that is exactly what occurred in 2006. At the margin, every one percent increase in challenger spending led to a 0.6 percent increase in incumbent spending, an equation that explains 57% of the variance in incumbent spending.[69]

Challenger spending does matter, then, but incumbent spending matters just as much. Based on the coefficients reported in the first model above, the challenger would need to raise roughly 70% more money than the incumbent in order for the negative

[69] More formally, ln(incumbent spending) = 0.58 * ln(challenger spending) + 6.94.

effect of the challenger's spending to outweigh the positive effect of the incumbent's spending. As it happens, only five challengers managed to outspend the incumbent in 2006; of these, only two raised the requisite 70% more than the incumbent.[70] Only in these two states would we expect to see a fall in gubernatorial approval during the campaign. On average, though, the twenty-six governors seeking reelection witnessed an average rise—not a fall—in their approval ratings of roughly 2.5 points over the course of the campaign.

This pattern of incumbent and challenger spending diverges sharply from what has been observed in Congressional elections. In that context, as in the gubernatorial context, incumbents spend reactively, raising only enough money to defeat their challengers. In Congressional elections, however, this reactive relationship between challenger and incumbent spending leads to a counterintuitive empirical result: The more the incumbent spends, the more likely he is to lose (Jacobson 2004). A simple explanation underlies this odd finding; incumbent spending does not affect Congressional election results, and since incumbents spend only when they feel threatened, their spending indicates their fears of impending loss. But as the results above show, gubernatorial elections differ from Congressional elections in that *both* the challenger's and the incumbent's spending matter.

Given the competing effects of challenger and incumbent spending in gubernatorial elections, measuring each variable separately may not be the most straightforward way to assess the real-world effects of challenger spending on election

[70] The two challengers are Wisconsin's Mark Green and Michigan's Dick DeVos, who financed most of his own campaign. A third challenger, Oregon's Ron Saxton, raised 64% more than the incumbent.

outcomes. What matters on election day is not the raw amount spent by the challenger, but whether the challenger managed to outspend the incumbent. Although it may be statistically less precise, we gain a clearer understanding of the substantive effects of challenger spending when it is measured as a percentage of the major-candidate spending total.[71] On average, challengers were overwhelmingly outspent by incumbents; the typical challenger spent only 34.4% of the two-candidate total. The weakest challenger was lopsidedly outspent, spending a meager 4.4% of the total; the strongest challenger spent 68% of the total.

As shown in Table 6-4, re-estimating the previous regression using this new variable produces slightly diminished fit but essentially the same coefficient on the partisanship control. However, the marginal effect of challenger spending becomes much easier to interpret under this new specification. For every percentage point increase in the challenger's spending as a share of the total, the incumbent's expected change in approval ratings falls by 0.18 percentage points.

[71] That is, (share) = 100 * (challenger) / (challenger + incumbent). Challenger self-contributions are included in this total. Although this formulation requires that challenger spending and incumbent spending have equal but opposite marginal effects, the coefficients in Table 6-9 just similar enough to satisfy (loosely) this requirement.

Table 6-4: Effects of Challenger Spending on Incumbent's Popularity, by Party

	All Incumbents	Republicans	Democrats
Governor is a Republican	-4.10†		
	(2.05)		
Challenger's share of spending total	-0.18**	-0.14	-0.21**
	(0.06)	(0.11)	(0.06)
Constant	10.80***	5.33	11.83***
	(2.59)	(4.04)	(2.51)
N	26	13	13
R^2 (adjusted)	0.34 (0.29)	0.12 (0.04)	0.51 (0.47)

Note: Standard errors in parentheses. †p≤0.10, *p≤0.05, **p≤0.01, ***p≤0.001.

Against Democratic incumbents, the spending variable alone explains over half the variance in the outcome. Against Republican incumbents, the fit is far poorer and the coefficient is insignificant. Moreover, the estimated effect of spending is noticeably larger against Democratic incumbents, although neither estimated effect departs much from the estimate in the aggregate model. The reversion to the mean problem discussed earlier influences these results slightly; introducing an approval lag causes the spending coefficient to increase to -0.16 (p=0.10) for Republican incumbents and -0.23 (p=0.01) for Democratic incumbents. Nevertheless, the substantive conclusions remain essentially the same even with this change. It appears, then, that a slight partisan interaction underlies the aggregate results, a pattern discussed further in the next section.

These analyses use aggregate approval data. Similar results obtain when measuring gubernatorial and presidential approval only among members of the governor's opposition. By contrast, the results deteriorate noticeably when approval is measured among independents or members of the incumbent's party, consistent with

findings in the previous chapter. This does not mean that only members of the governor's opposition are receptive to campaign messages. In fact, Table 6-5 shows that in-party approval moved even more than out-party approval did over the course of the campaign. When evaluating Republican governors, in-party respondents showed four percentage points more change during the campaign than out-party respondents; when evaluating Democratic governors, the difference was almost six percentage points.

Table 6-5: Changes in Gubernatorial Approval, by Party and Spending

	Governor's Partisans			Challenger's Partisans		
	May-Dec 2005	Sep-Oct 2006	Change	May-Dec 2005	Sep-Oct 2006	Change
Republican governors						
All (13 incumbents)	71.8	76.8	5.0	42.4	43.4	1.0
Chal spent < 30% (6)	69.4	74.2	4.8	45.8	47.9	2.1
Chal spent > 30% (7)	73.9	79.1	5.2	39.5	39.6	0.1
Difference in changes			-0.4			2.0
Democratic governors						
All (13 incumbents)	62.6	71.0	8.4	40.5	42.8	2.3
Chal spent < 30% (7)	64.8	75.4	10.7	49.6	55.7	6.2
Chal spent > 30% (6)	60.1	65.9	5.8	30.0	27.8	-2.3
Difference in changes			4.9			8.5

However, this rise in approval signifies a rally by in-party respondents around their incumbent—not a response to the challenger's campaign. As discussed in Brown and Jacobson (2007) and later in this chapter, campaigns provide opportunities for incumbent governors to redeem themselves in the public's mind; in-party respondents are particularly receptive to positive information about the governor, leading to the large rises in approval among this group. The task for challengers is to raise enough money to

counter the incumbent's positive messages, but the incumbent's partisans appear to pay far less attention than the challenger's partisans to the challenger's efforts. Among low-spending challengers to Republicans—that is, those who raised less than 30 percent of the spending total—in-party gubernatorial approval rose 4.8 points while out-party approval rose 2.1 points. Among high-spending challengers, approval rose just as much among in-party respondents (slightly more, actually), but it hardly rose at all among out-party respondents.

Comparing these two differences shows that the effect of challenger spending was 2.4 percentage points stronger among out-party respondents than among in-party respondents. Where the governor was a Democrat, the effect was 3.6 points stronger among out-party respondents. For this reason, challenger spending has the strongest effects when out-party data are used. Although voters of all stripes reassessed the candidates during the 2006 campaign, out-party respondents appeared far more receptive to the challenger's appeals.

6.1.3 Do Experience and Money (combined) Help?

Combining the experience and spending analyses yields no new insights; their effects are additive, not interactive. Additionally, neither experience nor spending interacts significantly with the incumbent's late 2005 approval ratings. With such a small sample size, interactions are difficult to test, of course; adding additional variables drives the standard errors skyward. Nevertheless, whether analyzed in the aggregate or by partisan group, the patterns reported above persist. When estimating the change in each incumbent's approval ratings over the course of the campaign, spending matters but

experience does not; the effect of spending appears to have been strongest among Republican challengers to Democratic incumbents. I now turn to the effect of challenger strength on incumbent vote shares.

6.2 Challenger Quality and the Incumbent's Vote Share

If high-quality gubernatorial challengers in 2006 merely took advantage of favorable conditions rather than strengthening them, then we would be unable to improve on the baseline models in Table 6-6. These models use the same right-hand variables that predict challenger quality in the first place as discussed above, namely, the incument's popularity in late 2005, Bush's state-level popularity during the same period, and a partisanship dummy. As such, these variables summarize the "wave" that the challenger might ride against the incumbent. Both models in Table 6-6 use the incumbent's share of the two-party vote as the dependent variable. The first model uses aggregate approval measures; the second uses approval among respondents belonging to the party opposed to the governor.

Table 6-6: The Incumbent's Share of the Two-Party Vote (Baseline Models)

	OLS 1	OLS 2
Governor is a Republican	-30.47*	-45.68†
	(13.51)	(23.52)
Governor's approval (May-Dec 2005)	0.45***	
	(0.09)	
Bush's approval (May-Dec 2005)	0.28†	
	(0.15)	
Governor's out-party approval (May-Dec 2005)		0.33***
		(0.06)
Bush's out-party approval (May-Dec 2005)		0.44†
		(0.25)
Constant	50.19***	84.31***
	(7.16)	(20.08)
N	26	26
R^2 (adjusted)	0.55 (0.49)	0.59 (0.54)

Note: Standard errors in parentheses. Bush's approval is measured at the state level; negative in states with a Democratic governor. †p≤0.10, *p≤0.05, **p≤0.01, ***p≤0.001.

The three baseline variables are statistically significant in both models, at least for a one-tailed test. And either model accounts for a large amount of the variance in election results—between 55 and 59%. Even before a challenger enters the race, then, the incumbent's existing vulnerability has largely determined his eventual share of the vote. If so much of the election result is determined before the challenger even decides whether to run, then we have a high statistical hurdle to overcome in order to demonstrate that challenger strength makes any additional contribution to these trends.

Although the two models return similar results, the out-party model outperforms the aggregate model slightly; not only is the fit slightly better with out-party data, but Bayesian model selection supports the out-party model as well.[72] By contrast, the results

[72] For more on Bayesian model selection, see Raftery (1995).

are much worse when estimated with in-party approval data, consistent with the discussion above.[73] As such, I use out-party data for the remainder of this analysis, although this decision is not consequential; similar results obtain when using aggregate approval data.[74]

6.2.1 Does Experience (alone) Help?

In 2006, challengers varied dramatically in their prior political experience. Several challengers had no political experience, no widespread name recognition, and no personal fortune to rely on. At the other extreme, several challengers had previously held federal or statewide offices. In chapter 5, I introduced two different measures of challenger experience: The highest percentage of the state's population that the challenger had ever represented in elected office (logged) and a more qualitative ordinal measure. As it turns out, however, neither of these variables adds anything to the baseline model in Table 6-6 when it comes to predicting the election result; neither has a statistically significant coefficient, and neither improves the fit. Dummying out the ordinal measure raises the R-squared estimate, but only because doing so introduces three new right-hand variables; the adjusted R-squared moves little (not shown).

Unexpectedly, these non-findings arise from a curious partisan interaction. In 2006, only Democratic challengers to Republican incumbents benefited systematically (but weakly) from prior political experience; Republican challengers did not. The following two tables split the sample; the first table shows a series of models predicting

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[73] Using in-party data pushes R^2 down to 0.14. Using approval among independents leads to results between these extremes, but closer to the out-party results than to the in-party results.

[74] It is not surprising that aggregate and out-party data produce similar results, given their high correlation ($r=0.94$, $p<0.0001$); see section 5.1 for a full discussion of this point.

the vote shares for Republican incumbents, and the next table looks at Democratic incumbents.

In Table 6-7, OLS 1 displays the baseline model using data only for Republican incumbents. Like the aggregate baseline model, OLS 1 explains 59% of the variance in vote shares. In OLS 2, I insert a dummy measure of challenger strength derived from the four-category ordinal measure discussed earlier; challengers classified in either of that variable's top two categories are here identified as "experienced."[75] The model predicts that an experienced challenger can reduce the incumbent's vote share by 8 points on election day; this estimate has one-tailed significance in the expected direction. In addition, inserting this variable improves the fit dramatically. The rise from 0.59 to 0.73 in the R^2 (from 0.51 to 0.64 in adjusted R^2) is not a fluke; Bayesian model selection also gives positive support for OLS 2 over OLS 1.

[75] Because of the extremely small sample size, I dummy it into two categories rather than preserving all four. Under this specification, 8 of 13 Democratic challengers were experienced, along with 6 of 13 Republican challengers.

Table 6-7: Effects of Experience on Republican Incumbents' Vote Share

	OLS 1	OLS 2
Governor's out-party approval (May-Dec 2005)	0.19†	-0.01
	(0.09)	(0.13)
Bush's out-party approval (May-Dec 2005)	0.88*	1.13**
	(0.34)	(0.32)
Experienced challenger (dummy)		-8.10†
		(3.87)
Constant	38.23***	48.24***
	(5.50)	(6.74)
N	13	13
R^2 (adjusted)	0.59 (0.51)	0.73 (0.64)

Note: Standard errors in parentheses. Bush's out-party approval is his state-level approval among the governor's opposition. $^{\dagger}p\leq0.10$, *$p\leq0.05$, **$p\leq0.01$, ***$p\leq0.001$.

Of course, these conclusions require considerable caution. First, splitting the sample to analyze Republicans and Democrats separately reduces the number of observations in each model from 26 to only 13, a very small number for this sort of analysis. Second, the effects discussed above are somewhat contingent on measurement decisions; when experience is measured as the logged percentage of the state that the challenger had previously represented, experience does not have a statistically significant estimated effect. All the same, the substantial difference between OLS 1 and OLS 2 is certainly suggestive of what we might find in a larger-N multi-year study.

By contrast, Republican challengers to Democratic incumbents did not seem to gain much from their political experience, as shown in Table 6-8. Once again, OLS 1 sets up the baseline model, which in this case explains a whopping 74% of the variance in the Democratic incumbents' vote shares. Adding the experience variable (OLS 2) does nothing whatsoever to improve on this high baseline. Not only does the fit not improve,

but none of the other coefficients changes substantially. This finding repeats itself for several specifications of challenger experience. At least in 2006, Republican challengers gained nothing at all from their prior political experience.

Table 6-8: Effects of Experience on Democratic Incumbents' Vote Share

	OLS 1	OLS 2
Governor's out-party approval (May-Dec 2005)	0.41***	0.40***
	(0.08)	(0.09)
Bush's out-party approval (May-Dec 2005)	-0.12	-0.13
	(0.36)	(0.38)
Experienced challenger (dummy)		-0.41
		(2.41)
Constant	55.33†	56.49†
	(27.07)	(29.29)
N	13	13
R^2 (adjusted)	0.74 (0.69)	0.74 (0.65)

Note: Standard errors in parentheses. The dependent variable is the incumbent's share of the two-party vote. Bush's out-party approval is his state-level approval among the governor's opposition.
†p≤0.10, *p≤0.05, **p≤0.01, ***p≤0.001.

It appears, then, that Democratic challengers benefited somewhat from their political experience while Republicans did not. This partisan interaction might be real, but it might also be an artifact of the electoral context in 2006. As discussed in chapter 5, experienced challengers tended to run only against vulnerable governors. A major component of vulnerability was each governor's individual approval rating. But given the strong pro-Democratic climate at the time, Democratic incumbents tended not to attract highly experienced Republican challengers regardless of their personal popularity level. As such, there is considerably less variance in challenger experience among Republican challengers than among Democratic challengers (see Table 2-3). This difference alone

may explain why experience seems to benefit only Democratic challengers and not Republican ones—there might not be sufficient variation in Republican challengers' experience to estimate the effect of challenger experience against Democratic incumbents. Regardless of whether this finding is real or artifactual, though, these analyses provide no evidence that challenger experience affected election results against Democratic incumbents, though they provide weak evidence that experience mattered against Republican incumbents.

6.2.2 Does Money (alone) Help?

Laying aside any effects of challenger experience on the election result, should we expect challenger spending to matter?[76] In gubernatorial elections, potential challengers are not the only strategic actors; potential donors also act strategically. After all, campaign donors prefer not to waste their money contributing to a hopeless campaign. Before contributing, strategic donors consider two factors: The incumbent's vulnerability and the challenger's quality. Challengers raise more money if the incumbent is unpopular, the challenger is well-known, or both.[77] As such, a challenger's fundraising success indicates his perceived quality—and perceived quality may be a better measure of challenger strength than the experience variables used in the preceding section.

The analyses below follow the same pattern as in the previous section by inserting spending variables into the baseline model to see whether they improve it. Table 6-9 presents two models showing the effect of the challenger's spending on the election result. The first uses the challengers' total spending, including spending financed

[76] I use the terms "spending" and "contributions" synonymously throughout this section, even though not all funds are necessarily spent. Technically, the underlying variable measures only contributions.
[77] See the previous chapter for a complete development and analysis of these ideas.

personally by the candidate; the second omits self-finance from the challenger's spending total. Both variants improve on the baseline model given earlier. The estimated effect of gubernatorial popularity remains essentially unchanged, but including the spending variables renders partisanship and presidential approval entirely insignificant. The fit rises from an R^2 of 0.59 in the baseline to 0.69 and 0.77 in the models below; adjusted R^2 rises from 0.54 to 0.61 and 0.72, respectively.

Table 6-9: Effects of Challenger Spending on Incumbent's Vote Share

	Including self-finance	Excluding self-finance
Governor is a Republican	-14.75	-6.81
	(24.71)	(20.79)
Governor's out-party approval (May-Dec 2005)	0.32***	0.29***
	(0.08)	(0.07)
Bush's out-party approval (May-Dec 2005)	0.11	0.03
	(0.26)	(0.22)
Incumbent's spending (logged)	3.56*	3.90**
	(1.44)	(1.11)
Challenger's spending (logged)	-2.47*	-2.99**
	(1.17)	(0.81)
Constant	39.27	35.75
	(30.12)	(25.60)
N	26	26
R^2 (adjusted)	0.69 (0.61)	0.77 (0.72)

Note: Standard errors in parentheses. Bush's out-party approval is his state-level approval among the governor's opposition; negative in states with Democratic governors. *p≤0.05, **p≤0.01, ***p≤0.001.

More important than fit, though, are the coefficients themselves. Challenger and incumbent spending are significant in both models. Moreover, the second model has stronger estimated effects and much better fit than the first model. This pattern suggests that spending may have both a direct and an indirect effect on election results. The direct effect is obvious—it takes money to produce advertisements, hire consultants, and run

focus groups, and these uses of money can persuade voters to switch sides. The indirect aspect is subtle—regardless of what challengers do with their money, the fact that they can raise it indicates that contributors have faith in the challenger (or faith in the incumbent's weakness). The direct effect pertains to how the money is used, regardless of the money's source; the indirect effect pertains to the money's source, regardless of how it is used.

Earlier, I used political experience as a proxy for candidate quality. Money raised is a potentially better proxy, since donors take account of much more than political experience; they also consider charisma, policy positions, determination, and likeability. By omitting self-finance from the challenger's spending total, we give relatively greater weight to this indirect effect in the second model than in the first—and it is this indirect effect that interests us most here, since we are using contributions to the challenger as an empirical indicator of challenger quality. For this reason, the remainder of this section ignores challenger self-finance when discussing campaign spending unless otherwise noted.[78]

Returning to the results in Table 6-9, observe that challenger and incumbent spending have a similar relationship to one another as they did in the previous section, when the dependent variable was approval. In contrast to the previous section, the difference between the two spending effects is smaller; based on these coefficients, a challenger would need to raise only 30% more than the incumbent in order for the

[78] This argument provides a theoretical interpretation for some related findings in the Congressional context. There, previous research on challenger self-financing has produced findings consistent with this argument. Although Jon Corzine successfully won a New Jersey senate seat in 2000 after spending a record amount of his own money ($60.2 million), this is atypical; the overwhelming majority of self-financed challenges end in failure (Steen 2006). In fact, self-finance had a negative relationship with votes in 1996-2002 House elections (Alexander 2005).

negative effect of the challenger's spending to outweigh the positive effect of the incumbent's. But despite this somewhat lower hurdle, there are still only two challengers who managed to meet this mark when self-finance is excluded. Perhaps as a result, the typical incumbent's share of the two-party vote ended up being 3.0 percentage points higher than his late 2005 approval rating.

As in the previous section, combining challenger and incumbent spending into a single variable helps to clarify the true effects of challenger spending. When challenger self-finance is excluded, the typical challenger raised only 30.8% of the two-candidate total. The weakest challenger raised only 3.1% of the total; the strongest challenger raised 67% of the total, or twice as much as the incumbent.

Re-estimating the previous regression using this new variable produces roughly the same fit as above, along with essentially the same coefficients on the baseline variables (see Table 6-10).[79] For every percentage point increase in the challenger's spending as a share of the total, the incumbent's expected vote share falls by 0.19 percentage points. In gubernatorial elections, unlike Congressional elections, what matters is not the challenger's raw finances, but the challenger's ability to compete with the incumbent.

[79] Bush's out-party approval is dropped from this equation because it contributes nothing to the model. The omission causes an adjustment in the partisan dummy but affects nothing else. Bush's approval is entirely uncorrelated with the variable of interest, challenger spending as a share of the total ($r = -0.06$, $p=0.76$).

Table 6-10: Effects of Challenger Spending on Incumbent's Vote Share, Revisited

	Coefficient	Standard error
Governor is a Republican	-4.03*	1.59
Governor's out-party approval (May-Dec 2005)	0.26***	0.06
Challenger's share of spending total	-0.19***	0.05
Constant	57.58***	3.23
N	26	
R^2 (adjusted)	0.72 (0.69)	

Note: The dependent variable is the incumbent's share of the two-party vote. *p≤0.05, **p≤0.01, ***p≤0.001.

The graph in Figure 6-2 depicts these results visually, showing the effect of challenger spending on the incumbent's vote share with out-party gubernatorial approval held at its average (41.5 percent). The lines show predicted values; the points show actual values, with each letter representing the incumbent's partisanship.[80] Predictably (given the pro-Democratic tide), Republican incumbents underperformed Democratic incumbents on election day. It would have taken a 21 percentage point (1.2 standard deviation) increase in the challenger's share of the spending total to match this partisan difference. But the effect of spending is also meaningful; as challengers spent more relative to incumbents, their electoral fortunes improved noticeably.

[80] Note that the distance between each point and the line is not equal to the residual. The line is drawn with gubernatorial approval held at its average, but approval varies and affects the points.

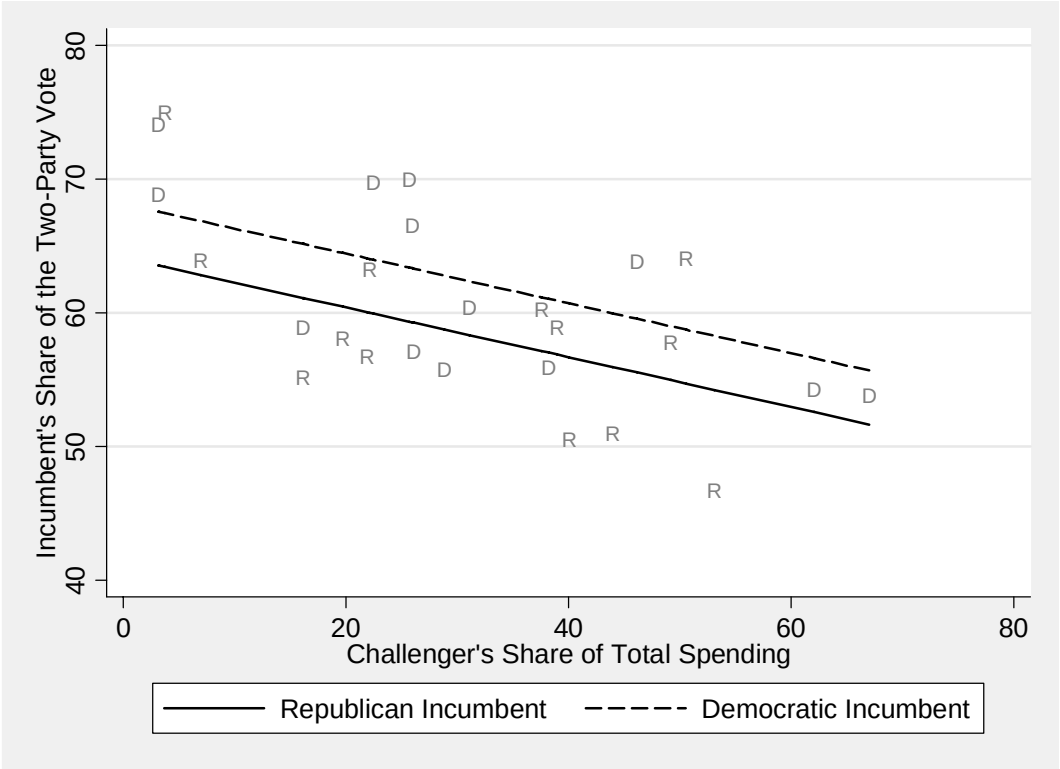

Figure 6-2: Effects of Challenger Spending on Incumbent's Vote Share

As it turns out, however, these aggregate analyses mask the same partisan pattern observed when examining incumbent approval. Although the figure above shows that challengers of both parties benefited from their spending, more detailed analysis shows that the effect was most clear among Republican challengers to Democratic incumbents. Table 6-11 presents the relevant estimates. OLS 1 replicates the baseline equation given earlier, but for Democratic incumbents. OLS 2 adds the challenger's spending as a share of the total, with an estimated effect roughly the same as was estimated in the aggregate model. The fit also improves considerably, even after adjustment for the number of

variables.[81] When looking at Republican challengers, then, money clearly affects the electoral outcome.

Table 6-11: Effects of Spending on Democratic Incumbents' Vote Share

	OLS 1	OLS 2
Governor's out-party approval (May-Dec 2005)	0.41***	0.30**
	(0.08)	(0.08)
Bush's out-party approval (May-Dec 2005)	-0.12	0.12
	(0.36)	(0.30)
Challenger's share of spending total		-0.14*
		(0.06)
Constant	55.33†	45.26†
	(27.07)	(22.26)
N	13	13
R^2 (adjusted)	0.74 (0.69)	0.85 (0.79)

Note: Standard errors in parentheses. Bush's out-party approval is his state-level approval among the governor's opposition. †p≤0.10, *p≤0.05, **p≤0.01, ***p≤0.001.

By contrast, the challenger's spending has a less clear effect for Democratic challengers to Republican incumbents (see Table 6-12). OLS 1 is the baseline model, with OLS 2 specified the same as in the previous table. In OLS 2 the challenger's spending has the same estimated effect as in the previous table but with a larger standard error, rendering the estimate statistically insignificant. This larger standard error appears to arise as a result of some collinearity between Bush approval and spending in states with Republican incumbents ($r=-0.81$, $p<0.001$); removing Bush approval from the model makes the spending variable statistically significant, but at a risk of introducing omitted variable bias.[82] As such, we cannot reject the possibility that Democratic challenger

[81] In addition to R^2 and adjusted R^2, BIC testing also supports OLS 2 over OLS 1.
[82] When Bush's approval is omitted, the estimated effect of spending increases to -0.23 (p=0.02). However, the strong negative correlation between Bush approval and challenger spending means that omitting Bush's

spending has no effect on Republican incumbent vote shares. At the same time, the estimated coefficient is the same for challengers of either party—only the standard error changes—suggesting that a larger-N, multi-year study might find that spending works equally well for challengers of either party.

Table 6-12: Effects of Spending on Republican Incumbents' Vote Share

	OLS 1	OLS 2
Governor's out-party approval (May-Dec 2005)	0.19†	0.21†
	(0.09)	(0.10)
Bush's out-party approval (May-Dec 2005)	0.88*	0.45
	(0.34)	(0.57)
Challenger's share of spending total		-0.14
		(0.15)
Constant	38.23***	47.9**
	(5.50)	(11.94)
N	13	13
R^2 (adjusted)	0.59 (0.51)	0.63 (0.51)

Note: Standard errors in parentheses. Bush's out-party approval is his state-level approval among the governor's opposition. $^{\dagger}p\leq0.10$, *$p\leq0.05$, **$p\leq0.01$, ***$p\leq0.001$.

This section leads to three general conclusions about the effects of money in gubernatorial elections. First, it appears that money does help gubernatorial challengers—but only to the extent that their spending rises relative to the incumbent's. Second, spending helps the most when we ignore the challenger's self-contributions—suggesting that spending matters on election day more as an indicator of the challenger's credibility than because of its direct effects. And third, spending has the clearest effect in

approval from the model will tend to bias the model toward overstating the effect of spending. (The correlation between Bush approval and spending is far weaker in the aggregate model and in the Democratic incumbent model, so it does not affect those.)

Republican challenges to Democratic incumbents, precisely the opposite pattern (but far less pronounced) as occurs with challenger experience.

6.2.3 Do Experience and Money (combined) Help?

When using experience and spending to predict the change in the incumbent's approval ratings, the effects were additive, not interactive. Experience and spending did not interact with one another, nor did they interact with the incumbent's late 2005 approval ratings. The same pattern holds true when predicting the incumbent's vote share. The estimated effects reported above are additive, not interactive; combining them into a single model produces no new insights. Even in a combined model, challenger experience continues to have only a small effect (primarily against Republican incumbents) and challenger spending has a stronger effect (particularly against Democratic incumbents).

6.3 Discussion

This chapter began with four hypotheses about whether challenger strength might affect the incumbent's approval ratings and vote share:

- That the challenger's experience would hurt the incumbent;
- That the challenger's spending would hurt the incumbent;
- That these variables might interact, either with one another or with the incumbent's initial vulnerability as measured in late 2005;
- Or that neither experience nor spending would matter at all—to the extent that they succeed, they do so as a result of the incumbent's initial vulnerability (the null hypothesis).

We can reject the null hypothesis. Strong challengers do not merely take advantage of the incumbent's late 2005 weakness; they contribute to that weakness to a small degree. Challenger spending has a negative, statistically significant effect on the incumbent's vote shares and approval, especially if the incumbent is a Democrat. Likewise, challenger experience has a negative, statistically significant (one-tailed) effect on the incumbent's vote shares (but not approval ratings), but only if the incumbent is a Republican. The effects are not interactive.

Not only does this analysis show that challenger strength does matter, it also helps us understand how it matters. Because the challenger's experience affects vote shares but not approval, we learn that politically experienced challengers were not necessarily better campaigners in 2006; they outperformed inexperienced challengers on election day only because their political experience made them a realistic alternative to the incumbent. In contrast to experience, though, the challenger's spending affects both approval and vote shares, showing that a challenger's ability to raise funds (regardless of her level of previous political experience) indicates her ability to campaign well. Challenger money affects election results because it helps challengers attack the incumbent; challenger experience affects election results because it gives voters a real choice on election day.

All the same, though, the real-world effects of challenger strength are small. True, the challenger's spending hurts the incumbent, but the incumbent's spending has an even stronger effect in the opposite direction. In almost every case, the incumbent managed to outspend the challenger, so the net effect worked in the incumbent's favor. As a result, concluding that challenger spending matters is correct only academically; in the real world, few challengers actually raised enough money to defeat the incumbent. This

finding is unusual and unexpected. In Congressional elections, incumbents gain little from their own spending; challenger spending hurts the incumbent, but defensive spending does little to blunt the attack (Jacobson 2004). This insight does not apply to gubernatorial elections.

This discrepancy between how gubernatorial and Congressional elections operate highlights the need for increased research in the field of gubernatorial elections. Political scientists have spent many fruitful years analyzing the minutest details of Congressional elections, an effort that will surely continue to produce insightful research. Much of what we have learned from this literature probably applies to other contexts; however, we cannot assume that all of it does. Until we look closely at gubernatorial, state legislative, and other subnational elections, we will not know which theories are universal and which apply only to Congress.

We should not be surprised that gubernatorial elections might differ from Congressional ones, given the structural differences between the two types of office. As chief executives of their states, governors are highly visible. They take immediate blame for every bad thing that happens in the state, just as the president's approval suffers for bad things that happen to the nation. When campaign season rolls around, gubernatorial challengers might have trouble telling voters anything bad about the incumbent that voters do not already know. The advantage instead goes to the incumbent, who spends his time telling voters about all the good things he accomplished while they were focused on the short-term problems; the incumbent can also attack the challenger's experience and qualifications. Along these lines, it is telling that most of the rise in approval during the

2006 campaign occurred among the governor's partisans—those most likely to be receptive to new positive information.

On the other hand, members of Congress manage to avoid blame for much of what Congress does from day to day. Because legislating is a collective enterprise, individual members can cast blame for unpopular votes on the rest of the Congress. Meanwhile, they visit their districts, cut ribbons at new museums, and find other content-free ways of promoting themselves (Mayhew 1974). But when campaign season comes around, shrewd challengers advertise to constituents every poorly considered vote that the incumbent has made. These negative messages provide new information about the incumbent, which the incumbent is hard-pressed to deflect. Along these lines, it is telling that most of the fall in approval during the 2006 Senate campaigns occurred among out-party respondents—those most likely to be receptive to new negative information (Brown and Jacobson 2007).

In short, campaigns give gubernatorial incumbents opportunities for redemption while putting Congressional incumbents at risk of condemnation. While this argument is admittedly speculation, it may help explain why gubernatorial incumbents seem to gain so much from their own spending even though Congressional incumbents gain so little. But regardless of whether these suggestions are accurate, one thing remains certain: We need more research dealing specifically with gubernatorial elections.

7 Conclusion

Governors wield more individual power than any other class of elected officials in America except the president. An individual governor may have less power than the state legislature he bargains with, but he certainly has more power than any one member of the legislature. Likewise, an individual governor may have less power than Congress, but he certainly has more power than any one of his state's representatives in Congress. Moreover, governors fare better than any other class of elected officials at winning presidential nominations and elections (Burden 2002). Despite their importance, though, governors are understudied. We do not know nearly as much as we should about who runs for governor, why they run, how they govern, how they interact with legislatures, how they interact with separately-elected cabinet members, how they appoint judges, how they negotiate budgets, how they use their vetoes, and so on.

In this dissertation, I have addressed a small part of this picture by presenting chapters on three separate subjects. The first, chapter 4, asks how voters decide whether to blame the governor (as opposed to the president) for economic conditions in their state. As it turns out, Americans are loathe to blame a member of their party for economic problems. If the president and the governor belong to different parties, survey respondents prefer to blame the governor for the state's economic problems only when

the governor does not belong to their own party. Moreover, this same partisan dynamic also influences how respondents perceive the state's economic health in the first place. These findings are new; previous researchers have supposed that voters evaluated presidents and governors based only on the functional responsibilities relevant to each office (Atkeson and Partin 1995; Carsey and Wright 1998).

The second, chapter 5, looks at candidate emergence in gubernatorial elections. Despite previous findings to the contrary (Leal 2006), I find that potential gubernatorial challengers do respond strategically to the incumbent's vulnerability when deciding whether to run. When the incumbent appears unpopular early on—particularly among members of the challenger's party—politically experienced challengers are more likely to emerge. The challenger's potential campaign donors also respond strategically to the same stimuli.

The third and final analysis, chapter 6, shows that these variations in challenger strength are potentially meaningful on election day. Although the effects of challenger experience are weak, the effects of challenger spending are significant. Unfortunately for challengers, however, the effects of incumbent spending are also significant. Since incumbents tend to outspend challengers, the real-world result is that incumbents emerged from the 2006 campaigns with higher approval ratings and vote shares than their 2005 approval levels would have led us to expect. Given this interplay between challenger and incumbent financing, the most intuitive way to understand the effects of campaign spending in gubernatorial elections is to consider the challenger's spending as a share of the spending total. For challengers to win, it is insufficient to spend money; they must spend substantially more money than the incumbent does. This finding presents a

striking contrast to the received wisdom from Congressional election studies; in that literature, incumbent spending has no effect at all once challenger strength is accounted for.

Along the way, these three studies have revealed opportunities for future research. Most obviously, my work on gubernatorial elections ought to be extended beyond the 2006 campaign cycle. But there is also a series of additional questions that grow out of my research. For example, chapter 6 presents an argument about the direct and indirect effects of campaign finance. The direct effect refers to how candidates spend money in an effort to woo voters; the indirect effect refers to whether candidates appear credible enough to raise money from outside sources. Frequently, we discuss campaign spending as though only the direct effect matters—that is, we talk as though only the amount spent matters, regardless of source. A few recent publications in the Congressional elections literature have challenged that assumption, arguing that self-financed campaigns are less successful than donor-financed campaigns (Alexander 2005; Steen 2006). This question also deserves further treatment within the gubernatorial literature. My single-election analysis provided weak but suggestive evidence that a similar dynamic operates in the gubernatorial context, but a multi-election study would provide a clearer answer.

As another example, recall that chapter 4 analyzes the blame game between presidents and governors under what I call "divided federalism." This paper was inspired by previous work at the federal level examining the blame game between Congress and the president, notably Rudolph (2003). The logical extension of my work is to study the same blame game at the state level—when do voters blame the state legislature for a problem rather than the governor? State legislatures vary widely in their professionalism.

Some sit in session year round, with high salaries and permanent staffs. Others meet for only a month or two every year, with nominal pay and college interns for staffers. Do citizen legislatures avoid blame more easily than professional legislatures?

For a final example of a future research project, consider my findings about national coattails in gubernatorial elections. Chapters 5 and 6 showed that much of what drives challenger emergence and election results is internal to each state. National partisan tides certainly play their part, but gubernatorial elections show a degree of independence from them. An extension of this finding is to examine the relative roles of gubernatorial and presidential coattails in state legislative elections. When a state's voters choose their governor in opposition to the national partisan tide, which coattail has the strongest effect on the legislative election result, the governor's or the president's?

These are only a few examples of the sorts of research projects that can grow out of the research contained in this dissertation. There is ample room within the state politics research for these and many other projects at the state level. Beyond my narrower goals, a broader purpose of this dissertation has been to demonstrate the need for such additional research.

Governors matter in American politics. States matter in American politics. Until we devote as much attention to the states as we have devoted to the federal government, our understanding of politics will be incomplete.

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